APPENDIX

Volume 5.

IN THE

Supreme Court of the United States

October Term, 1975.

No. 75-904

BRUNSWICK CORPORATION,

Petitioner,

v.

PUEBLO BOWL-O-MAT, INC.,
BOWL-O-MAT PARAMUS OPERATIONS
and HOLIDAY BOWL-O-MAT, INC.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Third Circuit.

PETITION FOR CERTIORARI FILED DECEMBER 24, 1975.
CERTIORARI GRANTED FEBRUARY 23, 1976.

International Printing Co., 711 So. 50th St., Phila., Pa. 19143 — Tel. (215) 727-8711

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COMPUTATION OF PROPRIETOR'S INTEREST AND DEPRECIATION AND CASH NEED

INTEREST

	Pinsetter	Lane
Price	$8,100	$4,500
Down Payment	500	900 (20%)
	$7,600	$3,600
Interest Factor	23%	.1425%
	8 \1,748 yrs.	5 \513 yrs.
	218	102 = $320 per year interest @ 6%

DEPRECIATION

Pinsetter	$ 8,100
Lane	4,500
Other	2,400 {Carpet - Signs - Cash Registers {Bar - Snack Bar - Intercom - Safe - etc.
	$15,000 per lane

$15,000 for 15 yrs = $1000 per lane per year

CASH NEED

	Pinsetter	Lane
Unpaid balance	$ 7,600	$ 3,600
Interest	1,748	513
	8 \9,348 yrs.	5 \4,113 yrs.
	$1,168	$823 = $1,991 or $2,000 per lane

A1574
Exhibit P1

DEPRECIATION AND CHARGES FOR DETERMINATION OF NET INCOME BY BRUNSWICK BCOD CENTERS FOR PINSETTERS AND LANES AND BY BRUNSWICK'S CUSTOMERS

BRUNSWICK'S CUSTOMERS

Depreciation:

Pinsetter	$8,100
Lane	4,500
Other (carpet, signs, cash registers, bar, snack bar, intercom, safe, etc.)	2,400
	$15,000

The composite useful life of this equipment is 15 years.
Depreciation of $15,000 over 15 years equals $1,000 per year.

Annual Depreciation $15,000 / 15 years. = $1,000 per year

Interest:

Pinsetter $1,748 / 8 yrs. = $218 per year

Lane $ 513 / 5 yrs. = 102 per year

Total Annual Interest $ 320 per year

Total Charges $1,320 per year

BRUNSWICK BCOD CENTERS

Depreciation: $ 500 per year

Interest Charged by Brunswick: -0- per year

Total Charges $ 500 per year

PL. EX. 1A
(page 1)

A1575
Exhibit P1A

CASH NEED FOR EACH LANE OPERATED BY BRUNSWICK
BCOD CENTERS AND BY BRUNSWICK'S CUSTOMERS

BRUNSWICK'S CUSTOMERS

	Pinsetter	Lane
Sales Price	$ 8,100	$ 4,500
Down Payment	500	900
Balance Due	$ 7,600	$ 3,600
Interest	1,748 (23%)	513 (14¼%)
Total Balance Due 8 yrs	$ 9,348	5 yrs. $ 4,113
Annual Payment on Balance	$ 1,168	$ 823

for a total of $1,991 or $2,000 per lane

BRUNSWICK BCOD CENTERS

Cash Need for equipment obligations to of Brunswick $ = 0 -

A1576
Exhibit P1A

PL. EX. 1A
(page 2)

ORIGINAL INVOICE

THE BRUNSWICK AUTOMATIC PINSETTER CORPORATION
623 SOUTH WABASH AVENUE
CHICAGO 5, ILLINOIS

BRANCH	TERRITORY	STATE	TERMS	SHIPPED VIA	ORDER NUMBER
66	20	22	Note Account	Muskegon, Prepaid	AP 6459

SOLD TO:
Minneapolis Bowl-O-Mat, Inc.
Apache Bowl-O-Mat
N.E. 37th Avenue & Silver Lake Road
Minneapolis, Minnesota

SHIP TO: Same

DATE SHIPPED: 6/30/61

INVOICE DATE: 6/30/61

QUANTITY ORDERED	CODE NUMBER	DESCRIPTION	PRICE	QUANTITY SHIPPED	AMOUNT
36	750000	BRUNSWICK AUTOMATIC PINSETTERS, INSTALLED	8100.00	36	291,600.00
		LESS: Required Down Payment			18,000.00
					273,600.00
		Finance Charge	these		62,928.00
		Total Note	reflect		336,528.00
			the 23% interest factor (finance charge) used in P.L. Ex. 1 on pinsetters		

PL. EX. Id.
1B

FORM NO. 200-57
REV. 8-57

A1577
Exhibit P1B

April 3, 1962

TO: J R E

FROM: D P L

RE: Minneapolis and Indianapolis

A very serious error was made in the computation of interest in our lane contracts with Brunswick on each of these installations. My prior understanding with Brunswick was that we would be charged 6% simple interest on the unpaid balance on our lane contracts. They told me some time ago that they computed this interest where we utilized a five year pay out (40 installments) by multiplying the unpaid balance by a factor of 1425. In Indianapolis since the unpaid principal balance was $140,000 the proper interest would be $19,950. Our contract contains a present charge of $25,200. Thus there is an over-computation of interest of $5,450.

In the case of Minneapolis, where the unpaid balance was $136,000 a correct interest charge would have been $19,380. Our present contract computes the interest at $24,480 an over payment of $5,100.

I have just spoken with John Bartlett at Brunswick in Chicago and he has agreed to correct these accounts to reflect the interest properly computed. Please keep this as a suspense item to make certain all is appropriately accomplished.

A1578
Exhibit P1B

March 29, 1962

Mr. John Bartlett
Brunswick Corporation
623 South Wabash Avenue
Chicago 5, Illinois

Re: Minneapolis Bowl-O-Mat, Inc.

Dear John:

When I spoke with you last week while I was at Des Moines, you said you would call me in Paterson this Monday with respect to the computation of the interest charge in this contract.

In the summer of 1960 I conferred with you and Bill Bromer at your offices in Chicago and discussed a factor .1429 which would be applied in our lane contracts to give us the 6% finance charge on the unpaid balance of the contract where we utilized a forty installment payout. This computation was utilized in the Pueblo Bowl-O-Mat purchase and it was my impression that it was being used in Minneapolis as well.

The prospectus that was published by National Bowl-O-Mat Corporation in connection with its public sale of 220,000 shares in April of 1961 stated specifically that its arrangements with Brunswick Corporation on the lane contracts included a 6% finance charge. In view of such statement, we could not possibly pay more than 6% with respect to Minneapolis Bowl-O-Mat, since its purchase was contemplated by the prospectus.

I shall appreciate it if I may hear from you by reply mail so that we may adjust the interest computation in this contract.

With all good wishes,

Sincerely,

NATIONAL BOWL-O-MAT MANAGEMENT CO.

By: _____

Daniel Parke Lieblich - General Partner

DPL/es

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A1579
Exhibit P1B

Brunswick CORPORATION

GENERAL OFFICE

April 24, 1962

AIR MAIL
SPECIAL DELIVERY

Mr. Daniel Parke Lieblich
National Bowl-O-Mat Management Company
152 Market Street
Paterson 1, New Jersey

Dear Mr. Lieblich:

In reply to your letter of April 16, 1962 to Mr. J. [illegible] Bartlett, please be advised that we have altered the original finance charge of the bowling lane account #61037 (Indianapolis Bowl-O-Mat, Inc.) to reflect an approximate simple 6% interest charge or .1425 of the original deferred balance. The original deferred balance of this account was $140,000.00. The finance charge at .1425 would be $19,950.00, or a total note of $159,950.00. The payment schedule now reads $3998.75 each for forty equal installments.

Since you have been making payments at the rate of $4130.00 per month, this change will have the net effect of prepaying a part of the April installment in the amount of $787.50. At this writing, we have not received the installment due April 1, 1962. The payment schedule will now read as follows:

One at $3342.50, due April 1, 1962
Thirty-Three at $3998.75, commencing May 1, 1962 (excepting the months of June, July, August, and September)

It has been brought to my attention also that a modernization account for Indianapolis Bowl-O-Mat, namely account #61077, for refreshment tables and bowling chairs is past due. Payments in the amount of $189.60 each, numbering five, were to have commenced February 1, 1962. At this writing, three payments, or $568.80, are past due.

I have understood, through Mr. R. J. Zagone, and confirmed through my telephone conversation of Monday, April 23, with Mr. Julian Goldstein, that new extension papers for Minneapolis Bowl-O-Mat, reflecting the same change as mentioned above for Indianapolis Bowl-O-Mat, have been received at your office. We would appreciate

your co-operation in executing these documents and returning them as soon as possible.

Should you have any further questions, please call me. Thank you.

Very truly yours,
BRUNSWICK CORPORATION

Jos. A. Rice
Regional Collection Manager

JAR:dg

5/1 - Rec called. Wire would where this stands without them and then $3,072 on 5/16

Brunswick CORPORATION

AIR MAIL SPECIAL DELIVERY

April 26, 1962

Mr. Daniel Parke Liebliech
National Bowl-O-Mat Management Company
152 Market St.,
Paterson 1, New Jersey

Dear Mr. Liebliech:

I understand from Mr. J.M. Bartlett that you wish to pay the installments due on Minneapolis Bowl-O-Mat under the revised schedule of a 14½% finance charge. Accordingly, setforth below are the revised figures.

Deferred balance	$136,000.00
14½% Finance Charge	19,380.00
Contract balance	$155,380.00

Payment schedule: 40 at $3884.50

Payments due 10/15/61 through 4/15/62	$ 27,191.50
Interest accrued through May 1, 1962	475.85
Total amount due	$ 27,667.35

We would appreciate it if you would give this account and the five payment note referred to in my letter of April 24th for Indianapolis Bowl-O-Mat your preferred attention.

Thank you.

Very truly yours,

BRUNSWICK CORPORATION

Jos. A. Rice
Regional Collection Manager

JAR/ml

A1582
Exhibit P1B

SUMMARY OF BRUNSWICK'S COMPUTATION ON
PUEBLO BOWL-O-MAT, INC.

Basic Lanes	$92,096.08	
Elective Equipment & Supplies	71,312.42	
Drilling Equipment & Components	2,160.65	
Total		$165,569.15
Labor Installation	$38,000.00	
Tools	122.50	
Spare Parts Kit	2,250.00	
Freight on Lanes	3,000.00	
Grand Total		$208,941.65
15% down payment		$ 31,341.25
Balance due		$177,600.40
5 year interest charge based at rate of .1425		$ 25,308.06
Total time balance due		$202,908.46

The time balance of $202,908.46 is payable in 40 installments, each in the amount of $5,072.71.

A1583
Exhibit P1B

UNIFORM OPERATING PROCEDURE

AUTOMATIC PINSETTER ORDERS

RB-310
UOP Number

Objective

1. The objective of this procedure is to outline the requirements for Automatic Pinsetter Orders insofar as freight and drayage, cash payment, trade-in, finance charge, deferred payment terms, and discounts are concerned.

General (Form 200.47)

2. An order for Automatic Pinsetters should be taken only on a Brunswick Automatic Pinsetter Order, Form 200.47.

3. For other general provisions, please refer to U.O.P RB-304.

Freight and Drayage

4. All Automatic Pinsetters will be sold F.O.B. origin, plus local drayage. Under no circumstances are orders to be written providing for prepaid freight.

Cash Payment

5. The minimum cash payment required for the sale of Automatic Pinsetters is $500.00 per pinsetter plus sales taxes. Of this amount, a minimum of $300.00 per machine must be paid with the order and no order will be approved until this amount has been received.

Trade-In Equipment

6. Trade-in allowances for pinsetters taken in trade on Automatic Pinsetter Orders will be considered a part of the total down payment, but under no circumstances may the amount of trade-in allowance be used to reduce the required cash payment of $500.00 per machine.

Finance Charge

7. The finance charge will be 26% of the deferred balance.

Deferred Payment Terms

8. Automatic Pinsetters purchased on deferred payment terms will provide for weekly payments with guaranteed minimums.

   a. Weekly payments - Payments are to be made on Monday of each week calculated at the rate of 12 cents per line for all lines bowled during the preceding week.

   b. Monthly Minimum payments - Guaranteed monthly minimums will be $125.00 per machine each month during the period October thru May and $50.00 per machine each month during the period June thru September.

REV: 7/15/58

A1584
Exhibit P2

Example

9. Total Selling Price
   10 Automatic Pinsetters — $81,000.00
   Sales Tax at 3% — 2,430.00
   — $83,430.00

   Down Payment:

   Cash with order at $300.00 per machine — $3,000.00

   Cash prior to delivery at $200.00 per machine plus taxes — 4,430.00

   Trade-In — 1,000.00

   Total Down Payment — $ 8,430.00
   Deferred Balance of Cash Sale Price — $75,000.00
   Finance Charge at 26% — 19,500.00
   Deferred Balance — $94,500.00

   Weekly payments:

   12 cents per line for total number of lines bowled during previous week.

   Monthly minimums:

   $1,250.00 per month during the period October thru May. $500.00 per month during the period June thru September.

6/4/58

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A1585
Exhibit P2

	UNIFORM OPERATING PROCEDURE AUTOMATIC PINSETTER ORDERS	RB-310 UOP Number
Government and Educational Institution Discounts	10. A 10% discount will be allowed to all government agencies (Local, State and Federal) on Automatic Pinsetter Orders. This discount will also be allowed to all educational institutions providing the institution undertakes the obligation of operating the alleys. Under this policy, the 10% discount will apply only to the equipment purchased and not to freight, mechanic's expense, etc. No additional cash discounts nor trade-in allowance will be allowed on pinsetter equipment.	
Cash Discounts	11. A 2% cash discount will be allowed from the amount of net sale on all Automatic Pinsetter sales which are paid for within the regular discount period, with the exception of government and educational institutions receiving the 10% discount discussed in paragraph 10. This discount will also apply to all sales paid for prior to delivery. The net sale shall consist of only the equipment portion of the contract including installation. This excludes taxes, freight, mechanic's expense, etc.	
	12.	

10/1/58

BEST COPY AVAILABLE

Waste + Replacement

PX 3

EXH. NO. P-2 Id
WIT. Fretwell
DATE 11/16/61
BY C. Parsons
FED. COURT REPORTERS

AREA ANALYSIS

Pueblo, Colorado
Pueblo County, Colorado
And
Area

This Analysis Prepared By:

H. H. PIERCE
Real Estate Specialist
BRUNSWICK CORPORATION
7885 W. 16th Avenue
Lakewood 15, Colorado

PL. EX. 275 id

SCOPE OF SURVEY

The area covered by this survey includes Pueblo, Colorado and Pueblo County, Colorado, located at the foot of the eastern slope of the Rocky Mountains in southeastern Colorado. Pueblo is a quick access to the mountain playgrounds of Colorado. The city is 114 miles south of Denver and serviced by U. S. Highways 85–87 North and South, and U.S. Highway 50 East and West.

Pueblo County has a gradual eastern slope of 10 feet to the mile from the high plains of Colorado. The City itself is located at the confluence of the Arkansas and Fountain Rivers in the fertile Arkansas Valley. Pueblo County covers 2414.2 square miles and the City covers over 18 square miles.

Geographic description:

38°15' North, longitude 104°40' West.
Altitude is 4690 Feet.

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ECONOMIC STRUCTURE

AGRICULTURE AND INDUSTRY

POPULATION

NEED FOR ADDITIONAL BOWLING CENTER

BELMONT SUBDIVISION AND ITS ACCESSIBILITY

SUMMARY

NEED FOR ADDITIONAL BOWLING CENTER

The existing bowling establishments in Pueblo do not come close to filling the need in this City. Of the four bowling centers in the City, consisting of 94 lanes, only about 40 of these lanes would be considered current in respect to desired service.

Enumerating:

PARK LANE - 10 alleys
Street parking, obsolete, assorted equipment, and inadequate facilities

PAYNES LANES - 12 Alleys
Street parking, steel mill area, assorted equipment, overall operation not up to current desired standards

BOWLERO LANES - 32 Alleys
Difficult to see from anywhere other than immediate entrance. 25 winding steps underground which is not popular. 16 lanes back to back with center island. This deal is built on a former river bed and requires the use of water pumps continuously. These facilities can be considered barely adequate but certainly not outstanding.

BOWL-O-MAT - 40 Alleys
This bowling center is the only one in the area to be considered as a current, adequate, desired type of operation. There is plenty of parking and all new modern facilities. It is easily accessible, visible, ground floor and a modern recreation center.

These comments make it obvious of the need and demand for more new modern bowling facilities in Pueblo.

A1590
Exhibit P3

BELMONT SUBDIVISION AND ITS ACCESSIBILITY*

Belmont area of Pueblo is 2.5 miles northeast from the mid-downtown section of the City. It is easily accessible north and south by U. S. Highway 85-87, a four-lane freeway. East and west it is serviced by U. S. Highway 50, on which it is located, and Northern Avenue from south Pueblo and 4th Avenue from central Pueblo. Northern Avenue and 4th Avenue join the Freeway.

The Belmont section of Pueblo is one of the newer sections, and is adjacent to the million dollar Continental Pueblo Hotel. The general trend in building has been to this area and it considered to have the greatest growth potential. There are presently between 6000 and 7000 people in this area consisting of workers from the Pueblo Ordnance Depot, Colorado State Hospital, downtown businesses, and upper echelon at Colorado Fuel & Iron Corporation. Developers advise us of the construction of 200 more homes in the area this year. There is presently a large modern shopping center in conjunction with this section.

Every aspect of Belmont makes it desirable for a bowling center of the newest and modern decor.

Distance from Belmont to existing bowling centers:

PARK LANE	-	2.3 miles
BOWLERO LANES	-	2.8 miles
PAYNES LANES	-	3.8 miles
BOWL-O-MAT	-	5.7 miles

*-Accompanying map

A1591
Exhibit P3

SUMMARY

This analysis has been prepared on a completely objective basis, and each proposed operation is judged solely on its own merits.

For 113 years Brunswick Corporation has been instrumental in the planning and building of thousands of recreation centers throughout the world. This experience well qualifies us for judging the merit of such an operation as proposed. Our diligence is constantly exerted to keeping the bowling industry prosperous. The welfare of the proprietor is as much a factor to success as is our own.

It would only be prudent to assume from the foregoing text that Pueblo can accommodate 50 more lanes of modern styling, combining the utmost comfort and convenience that the bowling business can offer.

The economic structure is sound and stable; agriculture is a mainstay, and industry is expanding.

The population has increased constantly for years and every indication points to more increases. The bowling population is also increasing yearly as more people join the ranks of weekly participants. This is stimulated by more and better facilities for people to take advantage of.

Competition is limited in the Pueblo area by virtue of limited, modern facilities.

In conclusion, considering all the facts as I have found them, it is my recommendation to build a new bowling center in this area. With proper management, such an installation should prove to be a profitable investment for the proprietor and Brunswick Corporation, now and for many years to come.

AREA ANALYSIS

PX 4
BRK. NO. 1-1-1-61
WIT.
DATE
BY
FED. COURT REPORTERS

PUEBLO, COLORADO

Pueblo is located 114 miles south of Denver, Colorado and 44 miles south of Colorado Springs, Colorado, on Highways 85 and 87, now a four-lane freeway between Pueblo and Denver. Pueblo County covers an area of 2,414 square miles and the city of Pueblo itself covers 17 square miles.

Current estimates place the metropolitan population of Pueblo in excess of 110,000. U.S. Census figures for 1950 show a metropolitan population of 73,247, however, since that time Pueblo has annexed 3,722 acres. During this same period building permits have been issued for the construction of 5,127 new homes in the city limits; 626 new homes were constructed in 1956, according to a 1957 survey made by the U.S. Post Office Department, mail is now being delivered to 103,052 residents in the city. The Retail Trade Area has a population of over 200,000, and the Wholesale Trade Area population exceeds 600,000.

The State of Colorado is experiencing a boom in population. Conservative estimates place the population increase at 900 persons per week. The United States Post Office at Pueblo reports Pueblo's metropolitan population, since 1950, has grown steadily at an average of 5,000 persons annually. Based on this trend, Pueblo should be well over 150,000 in 1970 and exceed 200,000 in 1980.

PL. EX. 273-10

Unlike many Colorado cities, Pueblo does not depend on the tourist business for its economy. The buying power of Pueblo's population is steady throughout the year,

EMPLOYMENT

Industry Group	Employment	Percent
Total	40,000	100.
Manufacturing	10,500	26.3
Construction	2,000	5.
Transportation, Communication & Public Utilities	5,000	12.5
Wholesale and Retail Trade	5,900	14.7
Finance, Insurance and Real Estate	1,000	2.5
Service	5,200	13.
Government	7,000	17.5
Agriculture	2,400	6.5
All Other	1,000	2.5

Occupationally, these workers are employed as follows:

Professional and Managerial	16%	Semi-Skilled	19%
Clerical and Sales	19%	Un-Skilled	11%
Service	11%	Agricultural	6%
Skilled	18%		

RECREATIONAL FACILITIES

Municipal

Parks	8
Softball Diamonds	8
Basketball Courts	9
Golf Courses	1
Picnic Areas	8
Tennis Courts	15

Private

Golf Courses	1
Swimming Pools	7
Riding Stables	3
Roller Skating Rinks	1
*Bowling Lanes	3 (10 lane house) (12 lane house) (32 lane house)

54
42
96

A1594
Exhibit P4

	Seating Capacity
1 Stadium	12,250
1 Baseball Park	5,100
1 Municipal Auditorium	1,963
7 Motion Picture Theatres	
4 Drive-in Theatres	

* The existing ten-lane house is located on North Main Street and has no parking other than street parking. This operation is doing the best it can with obsolete equipment and inadequate facilities. The existing twelve-lane house is located in the steel mill area and is also housed in an old building with nothing but street parking. The facilities here are also inadequate and do not measure up to current ideas regarding service, accomodations, etc.. The 32 lane house is located in the basement of the new Sears Shopping Center. The lanes are a back-to-back arrangement, with 16 lanes on each side of the concourse. This installation is new and has only been open for business since February, 1959. The facilities can be considered as adequate only, and not outstanding. Below ground level installations are not popular, and in some instances are to be avoided.

In Pueblo we have a ratio of one alley bed per approximately 2,400 people. Compared with the accepted national ratio of one bed per every 1,000 people, it becomes immediately apparent that there is a definite need for more bowling facilities in this area.

Recently the Business Research Corporation of Chicago was commissioned by the MacGregor Sports Products, Inc. to survey the bowling business and its potential nationally. It was determined by the Research Corporation in 1957 that there were 22,000,000 bowlers in the United States and predicated on their survey, they estimate a participation of 35,000,000 bowlers by the year 1966. Following you will find a projection of

A1595
Exhibit P4

population increase made by this organization:

1956	168,200,000
1957	181,000,000
1969	179,400,000
1965	193,300,000
1970	209,400,000

Number of families with incomes above $4,000.00 per year.

1946	18,900,000	
1956	28,500,000	(50%)
1966	41,400,000	(45%) estimate

The future potential in the sport of bowling appears will follow the projected future economy best expressed in the phrase - "more people, with more time, and more money". The population is increasing at the rate of almost 3,000,000 per year with projected acceleration in the future. To this may be added the increase of leisure time. The 40 hour work week is today a reality, and many places are on a 37-1/2 hour work week. It is predicted that by 1966 the 35 hour work week will be within the realm of possibility. The factors, population growth, increased income and more leisure time each provide an impact for the future recreational facilities of which bowling is a part.

A prime factor is deciding the advisability of establishing a new enterprise in any field is predicated on the need for that product or service. Today, more than any other time, in history, people demand and expect convenience, comfort and beauty, which only a modern business can offer. The bowling business is no exception. Bowling today is the greatest individual participation sport in existence, and new bowlers are being added yearly at the rate of a million or more. Bowling has invaded the televised athletic event field, to the extent that millions of people each week watch top bowling stars compete against each other with thousands of dollars at stake. Brunswick is proud to have been

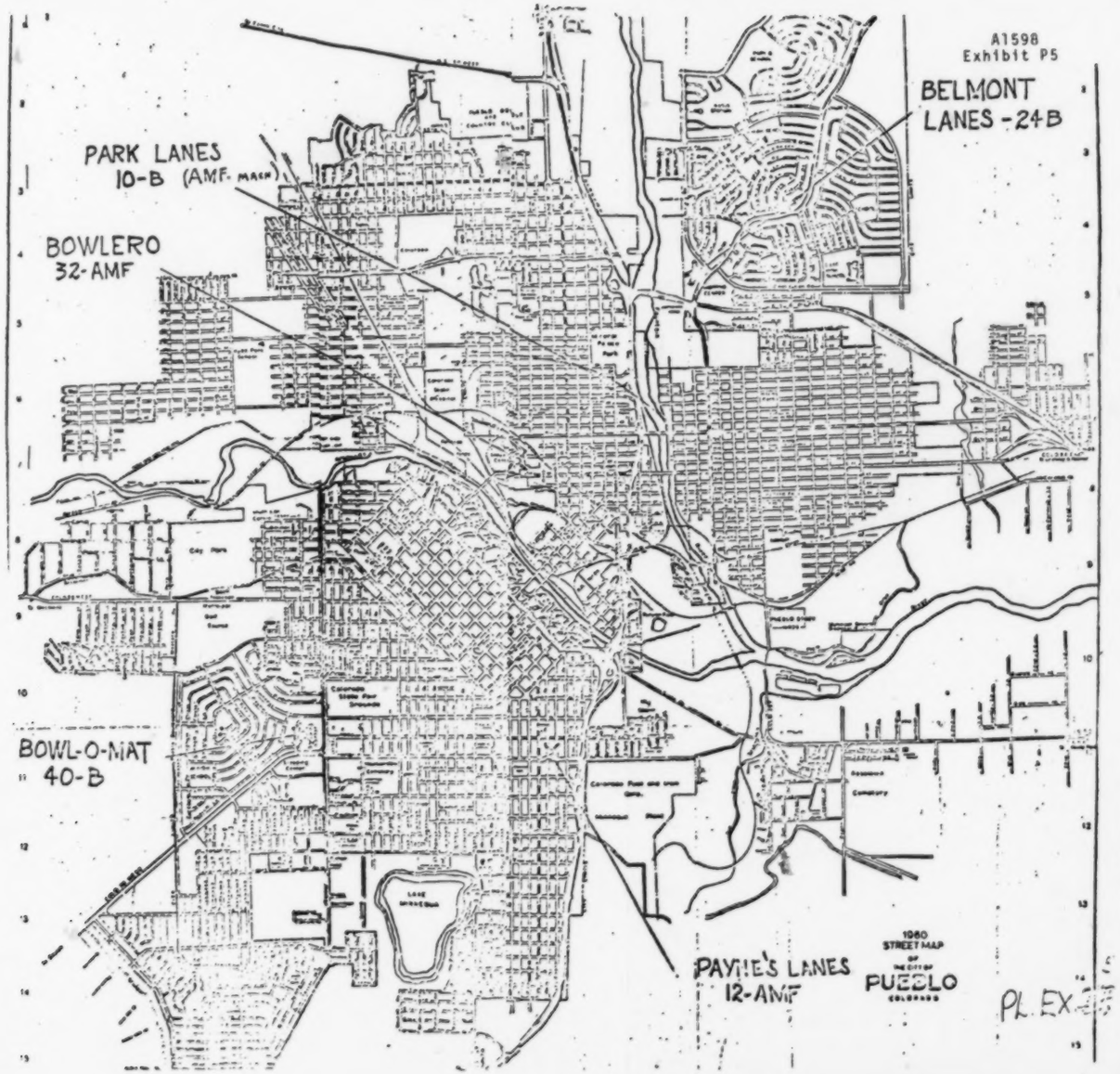
the originator of the first televised national bowling show "Championship Bowling", which has been on television screens for some four years. Bowling proprietors all over the United States have loudly acclaimed this television show as having been a strong force in helping to increase their business.

The public today demands and expects comfort, convenience and styling which only a modern business can offer. The individual or groups who invest in the bowling business have found the same to be true of this business. Therefore, it is necessary that any installation contemplated be the most modern in styling and equipment. The bowling proprietors who combine the most modern and comfortable surroundings and outstanding services will have the establishment most desired by bowlers.

There is only one conclusion that can be drawn from the facts as presented in this analysis - a definite need for additional bowling facilities. The area as analyzed will support up to 100 lanes at the present time. Presuming that future growth in the area keeps pace with present growth, it is quite apparent that there will be an additional need for bowling and recreational facilities again in the future.

This analysis prepared by:

J.G. Callahan
Sales Engineer
Brunswick-Balke-Collender Company



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AMF PINSPOTTERS INC.

A SUBSIDIARY OF AMERICAN MACHINE & FOUNDRY COMPANY
Westbury, Long Island, New York • EDgewood 3-6900

8 X 6

May 31, 1961

Mr. Daniel Parke Lieblich
152 Market Street
Paterson, N. J.

Dear Mr. Lieblich:

Following your telephone call about ten days ago, I investigated the matter of proposed new bowling facilities in Pueblo, Colorado.

Our Denver office has advised me that there is a total population of approximately 90,000 being served by a total of 94 bowling lanes which includes your new 40 lane Bowl-O-Mat and a 24 lane house installed not too long ago by our company. It is my understanding that the Pueblo area population contains 25,000 people of extremely poor financial means and that the steel industry in Pueblo is operating at about 60% capacity. These facts alone would convince us that new bowling facilities for Pueblo are not justified. On the basis of those facts we cannot entertain additional new bowling lane business in the area at this time.

I am told there is activity in the area now to install 24 lanes on the east side of town and further that the proposed operators have indicated a preference for competitive equipment. In order to protect your investment in the area you may want to contact the other supplier of equipment in order to determine their feelings in the matter. In any event, Mr. Lieblich, you may be assured that we do not consider Pueblo as a justifiable site for a new bowling center installation at this time.

Thank you for contacting us and please feel free to call on us at any time we may be of assistance. With kindest personal regards, I am

Sincerely yours,

G. Lindsay Crump
Asst. to Vice President-Sales

GLC:oek

A1599
Exhibit P6

PL. EX. 286

PX6-p.2.

[illegible]

Mr. R. L. Cohen

J. G. Thomas

June 2, 1961

[illegible]
[illegible]
Mr. A. D. Cowart

After careful consideration of all the facts involved in the Pueblo location that you outlined in your letter of May 29, Home Office has decided that if the contract is submitted to Brunswick it will be rejected. The reason for this decision is that we feel the economy in Pueblo cannot support an additional 24 lanes at this time.

In the event the contract has already been signed by the time you receive this letter, will you and Art Cowart inform the customer of our decision.

J. G. Thomas

JGT:mh

PL. EX. 286 id

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A1600
Exhibit P6

PX7

BELMONT LANES

PUEBLO, COLORADO

24 Lanes & P/S

6/5/62

Contract price	352,229.41
Cash payment	35,225.41
Deferred balance	317,000.00
Finance charge	88,761.12
Note	405,765.12

Payment schedule — 64 @ $6340.08 beginning 10/15/62

Payment Record

It appears that on 10/19/62 $1,000 was paid

on 1/10/63 1,000 was paid

Double [illegible] 6/1/63 for $409,670.02 — 1 mat @ 6630.02, 63 mat @ 6634.00

Contract was then rewritten sometime in Spring ? of 1964 with principal of $ 334,523

Interest of 120,428

$ 454,951

64 payments @ $7,109 commencing on 10/15/64.

Payments made:

1/15/65 $300.00

PLAINTIFF'S EXHIBIT 1-7 C.A. 5551

A1601
Exhibit P7

A1602
Exhibit P8

P X 8

PUEBLO BOWL-O-MAT, INC.

	8/31/61	8/31/62	8/31/63	8/31/64	8/31/65	8/31/66	8/31/67	8/31/68	8/31/69	8/31/70	8/31/71	8/31/72	TOTA
Lineage per lane	9,890	9,837	8,390	9,794	9,056	8,540	8,446	7,723	7,386	7,722	8,090	9,115	
Operating Cash Income	53,815	34,466	25,820	25,274	18,182	(3,551)	13,503	12,459	15,038	25,472	41,527	82,920	
Interest	33,484	17,162	(13,307)	24,110	30,206	32,806	36,100	34,353	33,027	33,652	33,439	23,148	
Depreciation	51,260	39,829	39,930	39,298	39,300	39,559	39,590	39,743	39,749	39,960	40,356	40,440	
Organization Expense	2,834	2,834	2,834	2,833	2,832	--	--	--	--	--	--	--	
Income (Loss)	(33,763)	(25,359)	(3,637)	(40,967)	(54,156)	(75,916)	(62,187)	(61,637)	($7,738)	(50,833)	(27,707)	(17,302)	(511,2

PUEBLO BOWL-O-MAT

	1965	%	1966	%	1967	%	1968	%	1969	%	1970	%	1971	%	1972	%	Eight Year Total	
Bowling	$168,779		$157,068		$159,922		$150,210		$144,576		$154,999		$171,838		$190,972		$1,298,364	
Shoe Rental	3,859	2%	3,511	2%	3,325	2%	3,506	2%	3,445	2%	4,036	3%	6,950	4%	8,390	4%	37,022	3%
Snack Bar	21,494	13%	19,856	13%	25,943	16%	29,035	19%	27,791	19%	36,372	23%	48,897	28%	44,100	23%	253,488	20%
Bar	44,704	26%	25,887	16%	24,410	15%	29,073	19%	27,194	18%	43,394	28%	64,465	38%	64,621	34%	323,748	25%
Pro Shop	4,744	2%	6,034	4%	5,777	4%	4,052	3%	3,352	2%	3,872	2%	6,865	4%	9,982	5%	44,678	3%
Mach. & Misc.	5,196	3%	6,132	4%	7,209	5%	6,232	4%	7,986	6%	10,104	7%	8,498	5%	6,298	3%	57,655	4%
	$248,776		$218,488		$226,586		$222,108		$214,344		$252,777		$307,513		$324,363		$2,014,955	

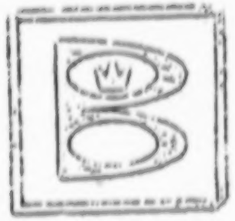
Net Income % after cost of goods and labor:

	Bar	Snack Bar	Pro Shop
1972	55%	21%	37%
1971	54%	20%	16%
1970	44%	17%	(30%)
1969	35%	16%	(30%)
1968	38%	17%	17%
1967	33%	18%	11%
1966	32%	0	42%
1965	51%	13%	37%
Total	342%	122%	100%
Eight Year Aver.	43%	15%	13%

For each additional $1,000 of Bowling Revenue, net income increases:

Bowling			$1,000	@	90%	=	$ 900.
Shoe Rental	@	3% =	30	@	90%	=	27.
Snack Bar	@	20% =	200	@	15%	=	30.
Bar	@	25% =	250	@	43%	=	108.
Pro Shop	@	3% =	30	@	13%	=	4.
Mach. & Misc.	@	4% =	40	@	100%	=	40.
							$1,109.

PX 10 - 2



EVALUATION REPORT # 76

LEMAR, INC.

POUGHKEEPSIE, NEW YORK

PL EX 344 LC

FILE COPY

A1604
Exhibit P10

[PLF BENSINGER EX 3 filed 7-P-02]

REPORTING DATE: MARCH 29, 1965

BY:

W. F. Francis

Mr. W. F. Francis
Project Director
Management Services

Approved By:

J. F. Reichert

MR. J. F. Reichert
Manager - Management Services

EVALUATION REPORT # 76

LEMAR, INC.

POUGHKEEPSIE, NEW YORK

A1605
Exhibit P10

CRITERIA CHECKLIST FOR BCOD OPERATING POLICIES

NAME OF ESTABLISHMENT LEMAR, INC. CITY AND STATE POUGHKEEPSIE, NEW YORK

EVALUATION NO. 76 DATE OF EVALUATION 3/29/65 BCOD INTEREST X YES ___ NO

X 1. Evaluated site is 16 lanes or more. 26 (NUMBER OF LANES)

X 2. Market area will generate sufficient linaage to be profitable. 780 to 1 (RATION PER LANE)

X 3. Evaluated site will generate a cash flow the first year of:

A. Positive Cash Flow $ 28,389 B. Negative Cash Flow $ ---

X 4. Evaluated site will generate cumulative cash flow within 24 months after take-over of $ 62,895.

X 5. Negative cash flow in the first year does not exceed $1,000 per lane. Negative cash flow, per lane, in the first year is $ ---.

X 6. Evaluated site will generate a profit in the third year of $ 29,293.

X 7. Lease for land and building does not exceed 34 months and contains an additional 10-year option and one or more 5-year options. Evaluated site lease is for 24 months with options of 2 years, 10 years, and 5 years.

X 8. In the event of a sale to a third party, lease contains provisions to release Brunswick from lease obligations beyond the 34th month.

X 9. Lease does not provide an element of profit on the investment to the lessor. Lease is restricted to a net amount of $700-$1,200 per lane. Evaluated site is for $ 1,000 per lane.

N/A 10. If not restricted, the long-term lease provides a 20% return on the investment.

X 11. Obligations for chattels are restricted to the lowest negotiable price not to exceed $1,000 per lane and if possible, do not require any cash outlay to obtain previously developed equity.

X 12. No commitment has been made to an obligation for purchase or lease without copies of the legal documents or written representations as to the contents being furnished by contracting party.

THE FOLLOWING COMPARISONS REFLECT COMPUTATIONS PRIOR TO ANY TAX ADJUSTMENTS:

	1965	1966	1967
BCOD CASH FLOW PROJECTIONS	$29,395	$41,156	$46,765
COST OF PHYSICAL REMOVAL	22,360	--	--
INTERIM LEASE REVENUE	24,708	26,952	28,080
PAYMENTS ON AN 8-YEAR CONTRACT	32,874	65,748	98,622
ORIGINAL SCHEDULED PAYMENTS	43,680	43,680	43,680

A1606
Exhibit P10

This evaluation has been reviewed by the member of the Operations' Section whose signature appears below:

Bernard Rudo

COMMENTS:

June 18, 1965

I feel that this location will need considerable work as it has been mismanaged ever since it was rebuilt in 1961. The physical plan is not the most ideal, but I think that this is offset by the fact that it has more walk-in business than most of its competitors. The rapid growth of the surrounding area as well as the change in road pattern definitely indicates that we should make an attempt to operate this location.

A1607
Exhibit P10

LEMAR, INC.
POUGHKEEPSIE, NEW YORK

CONTENTS:

I. BACKGROUND

II. CONCLUSIONS AND RECOMMENDATIONS

A. MARKET

B. OPERATION

C. ECONOMY

D. COMPETITION

E. PHYSICAL PLANT

F. SITE ANALYSIS

G. LEASE

APPENDIX SECTION:

I. FINANCIAL ANALYSIS

II. MANAGEMENT AND OPERATIONS ANALYSIS

III. MARKET AND SITE ANALYSIS

A. LOCATION

B. SOCIO ECONOMIC

C. POPULATION

D. COMPETITION

E. SITE

F. PHYSICAL PLANT

A1608
Exhibit P10

LEMAR, INC.

POUGHKEEPSIE, NEW YORK

I. BACKGROUND

This 26 lane Gold Crown Center opened for business in the fall of 1962 as a Lence Lanes establishment. The house was a replacement for a 24 lane operation which was operated by Mrs. Ethel Levine, under the name of Dutchess Recreation Bowling Alleys, Inc., that was destroyed by fire in 1961.

The Levine operation was originally established as a 16 lane center in 1945. Eight lanes were added around 1954.

Lence Lanes was evicted by the landlord, Mrs. Levine, in the spring of 1963. They had made no payments to Brunswick.

Mrs. Levine then purchased the equipment from Brunswick on an eight year staggered payment program. Though payments have been made, no full year's payments were complete.

It should be noted that Mrs. Levine feels that she was overcharged by approximately $85,000 for the equipment. She still feels that Brunswick will renegotiate the contract to compensate her for the alleged overcharge.

The Credit Department has been unable to negotiate any payment program, within policy, that can be met by the present operation.

A1609
Exhibit P10

II. RECOMMENDATIONS AND CONCLUSIONS

It is recommended that BCO take the necessary steps to assume control of this operation as soon as possible. This recommendation is based on the following facts:

A. Operation

This establishment is presently generating an in season lineage of 29+ lines per lane per day. The reason for the low annual lineage (22 lines per lane) is a drop of 65% during the summer months. It is anticipated that solid summer programs will be successful in lowering this drastic decrease.

B. Market

The population in the designated primary draw area is presently 97,500, with an effective total of 95,400 eliminating 50% of the non-whites due to social and economic considerations. This is a lanes to person ratio of 780 to 1. This is below the estimated proper ratio of 950 to 1 for this type of market.

C. Economy

Industry forms the base of the economy in this market. The International Business Machine Corporation is far and away the core with the employment of over 11,000.

The City of Poughkeepsie is the retail trading area for all of central Dutchess County and carries a sales activity index of 238 which is higher than that of New York City.

Average household incomes in the city are $7,390 compared to a county figure of $9,092 and a state figure of $8,279.

Industrial development continues at a good pace. Land is available and local financing programs have been set up for the use of investors.

D. Competition

Indirect competition during the winter months is low. During the summer months, a myriad of outdoor activities present severe competition. This is offset somewhat by an influx of tourists to this area.

There are four competitive commercial lanes in this market area. In addition, IBM has eight fully automated lanes on their premises for the use of their employees. This is a highly competitive bowling market.

E. Site

The subject establishment is located just north of the downtown area on the main north-south artery in a residential district.

Travel to the site from the south and the east requires traversing the downtown area. This is a problem during the daytime hours, Monday through Saturday.

A new roadway, circumventing the downtown area from the south, is now under construction. This roadway will terminate within one quarter of a mile from the subject site, greatly improving access from the southern part of the market area.

F. Physical Plant

Dutchess Lanes, the subject, is housed in an older building of concrete and steel construction. The front exterior and the front entry are attractive. The control counter, the snack bar and the cocktail lounge are attractive.

The sides and rear walls of the exterior of the building need painting. The parking area is inadequate. The lanes have been squeezed in through the use of rear wall machines, the elimination of scoring chairs and the removal of some sections from the 211 seating arrangement.

A garage has been annexed to the building. It provides for poor lavatory facilities, a combination locker room and nursery and a storage area.

This is not a good physical setup.

G. Lease

The landlord is presently balking at the Brunswick lease offer of $26,000 gross annually, plus 10% of all gross income over $170,000. This guarantees the landlord approximately $3,500 annually over building costs.

This building was formerly leased at an annual gross rate of $36,000.

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EVALUATION #76

LEMAR, INC.
POUGHKEEPSIE, NEW YORK
PRO FORMA BALANCE SHEET

	BCO FORECAST 1965	1966	1967
ASSETS:			
Current Assets:			
Cash and Inventory	$ 10,400	$ 10,400	$ 10,400
Fixed Assets:			
Lanes & Pinsetters	$221,000	$221,000	$221,000
Less: Reserve for Depreciation	27,300	54,600	81,900
Net Brunswick Equipment	193,700	166,400	139,100
Net Fixed Assets	$193,700	$166,400	$139,100
Total Assets	$204,100	$176,800	$149,500
LIABILITIES & NET WORTH			
Brunswick Investment	$202,826	$167,486	$128,831
Retained Earnings or (Deficit)	1,274	9,314	20,669
Total Liabilities & Net Worth	$204,100	$176,800	$149,500

NOTE: Original Brunswick Investment:

Cash and Inventory	lanes @ $400
Lanes and Pinsetters	lanes @ $8500

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A1612
Exhibit P10

EVALUATION #76

LEMAR, INC.
POUGHKEEPSIE, NEW YORK
PROFIT AND LOSS - CASH FLOW

	BCO FORECAST 1964	1965	1966	1967
REVENUES:				
Bowling	$102,950	$102,950	$112,300	$117,000
Shoe Rental	3,200	3,200	3,370	3,500
Pro Shop	3,200	3,200	3,370	3,500
Snack Bar	22,600	22,600	24,700	25,700
Cocktail Lounge	38,600	38,600	39,300	41,000
Other Revenue	3,000	3,000	3,000	3,000
Total Revenue	$173,550	$173,550	$186,040	$193,700
COST OF GOODS:				
Pro Shop	$ 2,400	$ 2,400	$ 2,530	$ 2,625
Snack Bar	11,300	11,300	12,350	12,850
Cocktail Lounge	15,400	15,400	15,700	16,400
Total Cost of Goods	$ 29,100	$ 29,100	$ 30,580	$ 31,875
GROSS PROFIT	$144,450	$144,450	$155,460	$161,835
EXPENSES:				
Operating Expenses	$ 97,319	$ 88,700	$ 86,700	$ 86,700
Bruhswick Depreciation	34,700	27,300	27,300	27,300
Building Rental	27,700	26,355	27,604	28,370
Total Expenses	$157,719	$142,355	$141,604	$142,370
Net Profit (Loss) Before Taxes	$(15,269)	$ 2,095	$ 13,856	$ 19,465
Federal Income Tax		$ (1,006)	$ (6,650)	$ (9,343)
Net Profit (Loss) After Taxes		$ 1,089	$ 7,206	$ 10,122
ADD: NON CASH ITEMS:				
Total Depreciation		$ 27,300	$ 27,300	$ 27,300
NET CASH FLOW (DEFICIT)		$ 28,389	$ 34,506	$ 37,422
SUPPLEMENTARY DATA:				
BCOD Depreciation		$ 17,472	$ 17,472	$ 17,472
Net Profit (Loss) Before Taxes		11,923	23,684	29,293
Net Profit (Loss) After Taxes		6,200	12,316	15,232
Net Cash Flow (Deficit)		23,672	29,788	32,704

A1613
Exhibit P10

LEMAR, INC.
POUGHKEEPSIE, NEW YORK
EXPENSE DETAIL

	BCO FORECAST			
	1964	1965	1966	1967
Operating Expenses:	✓			
Salaries and Wages	$ 49,500	$ 50,000	$ 50,000	$ 50,000
Payroll Taxes and Benefits	3,200	4,500	4,500	4,500
Licenses and Taxes	5,000	2,000	2,000	2,000
Insurance	4,885	2,600	2,600	2,600
Utilities	9,000	9,000	9,000	9,000
Repair and Maintenance	9,000	5,200	5,200	5,200
Advertising and Promotion	8,900	5,200	5,200	5,200
Supplies	4,834	5,200	5,200	5,200
Other Expenses	3,000	3,000	3,000	3,000
Start-Up Costs (A)		2,000		
Total Operating Expense	$ 97,319	$ 88,700	$ 86,700	$ 86,700
Depreciation:				
Bowling Equipment	$ 34,700	$ 27,300	$ 27,300	$ 27,300
Total Brunswick Depreciation	$ 34,700	$ 27,300	$ 27,300	$ 27,300
Building Rental	$ 27,699	$ 26,355	$ 27,604	$ 28,370

NOTE: (A) Start-Up Costs - cleaning and painting building interior.

A1614
Exhibit P10

LEMAR, INC.
POUGHKEEPSIE, NEW YORK
OPERATING STATISTICS

	BCO FORECAST			
	1964	1965	1966	1967
Bowling Lineage:				
Number of Lanes	26	26	26	26
Days Open	360	360	360	360
Total Lineage	205,900	205,900	224,600	234,000
Average Lineage Per Lane/Yr.	7,920	7,920	8,640	9,000
Average Lineage Per Lane/Day	22	22	24	25
Revenue Per Line	$ .50	$ .50	$ .50	$ .50
Total Bowling Revenue	$102,950	$102,950	$112,300	$117,000
Shoe Rental:				
Per Cent to Bowling Revenue	3%	3%	3%	3%
Pro Shop:				
Per Cent to Bowling Revenue	3%	3%	3%	3%
Snack Bar:				
Per Cent to Bowling Revenue	22%	22%	22%	22%
Cocktail Lounge:				
Per Cent to Bowling Revenue	35%	35%	35%	35%
Gross Profit Ratio:				
Pro Shop	25%	25%	25%	25%
Snack Bar	50%	50%	50%	50%
Cocktail Lounge	60%	60%	60%	60%
Other Revenue	$ 3,000	$ 3,000	$ 3,000	$ 3,000

A1615
Exhibit P10

A1616
Exhibit P10

BOWLING OPERATING STAFF & PAYROLL

Title	Sal. or Hr. Rate	Weekly Total	Annual Total	9 10 11 12 1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9
MANAGER	$10,000		$10,000	DAYS OFF
COUNTER (PT)	1.25	$20.00	1,000	X 6 DAYS X
COUNTER	2.00	84.00	4,400	X 6 DAYS X
COUNTER	1.50	72.00	3,750	X 6 DAYS X
MECHANIC	2.00	96.00	5,000	X 6 DAYS X
LANE & BLDG. MAINT.	2.00	92.00	4,700	X 6 DAYS X
PORTER	1.25		2,544	X 3 & 4 DAYS X
PINCHASER - 2	1.50	60.00	3,190	

$31,040 Total

SNACK BAR OR RESTAURANT

GRILL/WAITRESS	$ 1.25		$ 3,120	X 6 DAYS X
GRILL/WAITRESS	1.25		3,120	X 6 DAYS X
GRILL/WAITRESS	1.25		1,040	DAYS OFF

$ 7,280 Total

COCKTAIL LOUNGE

BARTENDER	$ 2.00		$ 4,800	X 6 DAYS X
BARTENDER	1.75		1,235	FRIDAY AND SUNDAY
WAITRESS	1.25		2,880	6 DAYS X

$ 9,136 Total

Payroll Totals: $3,504 Bowling: $7,280 Snack Bar & Restaurant; 39,136 Cocktail Lounge.

GRAND TOTAL $50,000

APPENDIX SECTION

I. FINANCIAL ANALYSIS

The preceding financial statements are based on unverified statements for the period ending September, 1964, given to Brunswick by the proprietor.

The lineage projections are reasonable for this market and should be attained with a reasonable promotion program.

The revenue per line is on a 50¢ basis. In actuality, lineage is higher with a lower revenue per line. The 50¢ figure was used so that a legitimate comparison could be made.

The shoe rental, snack bar and cocktail lounge revenues are based on present revenues increased at the same rate as the bowling.

The start up costs of $2,000 will be necessary to cover the costs of painting and cleaning the interior of the building, plus license transfer costs.

The indicated lease cost of $26,000 gross was the Brunswick offer on the usual 2 year, 2 year, 10 year and 5 year program. In addition, Brunswick will pay 10% of all gross income over $170,000. This is a legitimate offer and this should cover this lease, though it will probably take forceful legal action to consummate this deal.

This lease cost represents a $10,000 annual reduction.

II. MANAGEMENT AND OPERATION ANALYSIS

A. Management

The bowling center is presently being managed by Mrs. Theodora Spier, a married daughter of the landlord.

Mrs. Spier has been the manager since the reopening under the ownership of Lance Lanes. She has been working in and around bowling centers all of her life. She knows the business and she does an effective job of supervising the interior operation. She has also accomplished good results in the promotion of women daytime leagues. However, she is admittedly weak on the promotion and development of men's leagues.

B. Operation

During the league season, this establishment generates a lineage of 29 lines per lane per day. Approximately 75% of this is in league lineage. There is a good daytime league program and a full first shift in the evening. However, the second shift is practically bare.

The personnel appears to be careless in fulfilling their duties and do not pay sufficient attention to customer service. Housecleaning is only fair, though the machines appear to be well maintained.

This internal operation is lacking in leadership and direction.

External promotion work among the men of the area has been sadly lacking.

III. MARKET AND SITE ANALYSIS

A. Location

Poughkeepsie, county seat of Dutchess County, is situated on the eastern shore of the Hudson River, approximately 100 miles north of New York City. For the purposes of this evaluation, the primary draw area is considered to be the City of Poughkeepsie and the townships of Poughkeepsie, Hyde Park, Pleasant Valley and La Grange.

B. Socio-Economic

The economy of the Poughkeepsie area is industrially based. The International Business Machine Corporation is far and away the economic core of this area with an employment of over 11,000.

Some of the other major products and the number of employees employed in their manufacture are bearings (2,500), pumps and separators (2,250), printing and lithography (1,800), electronic instruments (1,400), and electrical products (370).

Industrial development, spear-headed by IBM, is moving ahead in dramatic fashion. There is land available and the local commission has various financing plans set up to aid interested industries.

The City of Poughkeepsie is the retail trading center for all of central Dutchess County. The sales activity index of 238 compared to a county index of 105 indicates that the core city draws shoppers from all surrounding areas. The average household income within the market area is $7,390 compared to a county average of $9,092, and a state average of $8,279. 44.7% of the households have incomes between $4,000 and $10,000, with an additional 13.9% in the $2,500 to $4,000 bracket. A high 21% have incomes over $10,000. This is due to the influence of IBM.

This is a good economic profile upon which to develop a profitable bowling activity.

C. Population

The population of Dutchess County increased by 28.7% during the decade from 1950 to 1960 to a total of 176,008. It has continued to increase to its 1964 population of 192,493, a gain of 9.4% since 1960.

During this same period, the population of the City of Poughkeepsie decreased 6.6% to 38,330, while the population of the Town of Poughkeepsie increased 60.9% to 32,164. Also during this period, the population of the Town of Hyde Park increased 106.7% to 12,681; the Town of La Grange increased 166.6% to 6.079; and the Town of Pleasant Valley increased 47.1% to 4,064. These dramatic population increases were caused by the industrial boom created by IBM.

These population trends have been continuing at a slower rate since 1960. For example, the population of the core city has decreased to 37,300 in 1964, while the surrounding cities continue to grow.

The 1964 estimated population for the outlined primary market area is 97,300. This is expected to increase to over 105,000 by 1970.

Non-whites make up 9.6% of the population of the core city and 5.8% of the county. This locates the vast majority of non-whites within the core city. Because of social and economic considerations, 50% of these non-whites must be discounted from our total population. This leaves us an effective population of 95,400.

This population breaks down into the following age groupings: 29.4% under 18 years - 57.1% between 18 and 64 - 13.5% 65 and over. This is a good population profile upon which to develop a profitable bowling activity.

D. Competition

Indirect competition during the winter months is minimal in this area. During the summer months, a myriad of outdoor activities presents severe competition. This is slightly offset by an influx of tourists to the area, but it is still a severe problem.

There are three competitive bowling centers within the primary draw area and one on the southern fringe of the draw area which must be considered.

A synopsis of these houses is as follows:

Hoe Bowl County Lanes - (3 miles from subject)
30 AMF lanes, cocktail lounge, snack bar, good concourse, adequate parking. This was originally a 20 lane house to which 10 lanes were added in 1963. There are presently 280 teams bowling in organized league play at this establishment. This establishment is estimated to generate 30 lines per lane per day during the season. It should be noted that this house has closed down entirely during July and August during the past three years.

Hyde Park Lanes - (6 miles from subject)
16 lane Gold Crown establishment, modern in all respects, with cocktail lounge, snack bar and good parking. There are 120 teams bowling in organized league play. The estimated annual lineage generated at this house is 22 lines per lane per day.

Mardi-Bob Bowl - (2½ miles from subject)
38 lane AMF house, modern in every respect, cocktail lounge, snack bar and good parking. There are presently 390 teams bowling in organized league play. The estimated annual lineage per lane is 32. This is the best location in the market.

Holiday Bowl-O-Mat - (8 miles from subject)
36 AMF lanes, modern in every respect, cocktail lounge with entertainment four nights, snack bar and good parking. There are 364 teams bowling in organized league play. The estimated annual lineage is 32 lines per lane per day. This house is located just beyond the southern fringe of the outlined primary draw area. Therefore, it is considered only 40% effective in this market.

Including the subject 26 lanes, there are 125 effective lanes serving a present population of 97,300 persons. This is a lanes to person ratio of 780 to 1. The estimated proper lanes to person ratio in a market of this type is 1,000 to 1.

The subject house should be able to attain and maintain the projected lineages; however, three of the competitive houses are almost completely double shifted five days a week.

E. Site Analysis

Dutchess Lanes, the subject house, is located on the main northern artery just outside downtown Poughkeepsie. It is situated in the heart of a heavy residential area.

Travel to the site from the south and the east requires driving through the downtown area. This is not a serious problem in the evenings, but it is a problem weekdays and Saturdays.

A new roadway circumventing the downtown area from the south is now under construction. This roadway will terminate within one quarter of a mile from the subject site and it will enhance the value of this location.

F. Physical Plant

The building in which the subject lanes are housed is of concrete and steel construction. The outside front and the entry way are attractive.

This building originally housed 16 lanes. An addition of 8 lanes at right angles to the existing lanes was made in 1954. After the fire, 26 lanes were installed in line. To accomplish this feat, rear wall machines were used, sections were removed from the 211 settee arrangement and no scoring chairs are used. Even with this arrangement, to reach the control counter from the main parking lot, a customer must walk in a six foot corridor behind the bowler's settees, the full width of the 26 lanes. When leagues are bowling, this becomes an obstacle course.

In 1963, an adjacent garage was purchased and joined to the main building. In this area, new toilets were installed (a poor setup), a nursery and locker room was developed and the remaining area is used for storage.

The exterior of the building needs a good cleaning. The parking lot is unpaved and inadequate.

The control counter, the snack bar and the cocktail lounge are situated in the main entry. These are attractive and in good condition.

FORM 113

LEASE INFORMATION DISTRIBUTION

~~W. Rado~~

2. J. Reichert
3. J. Curran
4. A. Denkins
5. K. Gallopo
6. C. Poll
7. J. Webster
8. L. Luzon
9. Regional Food & Beverage Manager
10. Regional Service Manager
11. Regional Manager
12. District Manager
13. Establishment Manager
14. Lease File
15. L. Willner
16. D. Zirk
17. S. Staubitz
18. Property Administration Associates
19. S. E. Irons
20. Extra File

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A1623
Exhibit P11

0X 11

HOLIDAY BOWL-O-MAT

	1965	%	1966	%	1967	%	1968	%	1969	%	1970	%	1971	%	1972	%	Eight Year Total	%
Bowling	$177,306		$181,841		$164,676		$148,670		$141,620		$165,707		$198,421		$226,123		$1,404,364	
Shoe Rentals	4,867	3%	5,077	3%	4,688	3%	4,706	3%	5,556	4%	7,306	3%	8,244	4%	9,345	4%	49,789	4%
Snack Bar	32,075	18%	29,677	16%	22,574	14%	19,772	13%	18,958	13%	24,352	15%	27,912	14%	29,273	13%	204,593	15%
Bar	115,984	65%	100,229	55%	130,434	79%	102,141	69%	102,217	72%	85,984	52%	82,417	42%	145,125	64%	864,531	62%
Pro Shop	7,568	4%	5,984	3%	4,546	3%	4,096	3%	3,419	2%	5,978	3%	12,404	6%	16,358	7%	60,353	4%
Mach. & Misc.	3,367	2%	4,559	3%	5,840	2%	4,517	3%	3,074	2%	3,081	2%	3,401	2%	3,124	1%	30,963	2%
	$341,167		$327,367		$332,758		$283,902		$274,844		$292,408		$332,799		$429,348		$2,614,593	

Net income % after cost of goods and labor:

	Bar	Snack Bar	Pro Shop
1972	58%	18%	38%
1971	50%	25%	40%
1970	54%	30%	29%
1969	52%	10%	20%
1968	50%	11%	36%
1967	57%	4%	20%
1966	52%	15%	36%
1965	55%	23%	30%
Total	428%	136%	249%
Eight Year Aver.	54%	17%	31%

For each additional $1,000 of Bowling Revenue, net income increases:

Bowling			$1,000	@	90%	=	$ 900.
Shoe Rentals	@ 4%	=	40	@	90%	=	36.
Snack Bar	@ 15%	=	150	@	17%	=	25.
Bar	@ 62%	=	620	@	54%	=	335.
Pro Shop	@ 4%	=	40	@	31%	=	12.
Mach. & Misc.	@ 2%	=	20	@	100%	=	20.
							$1,328.

A1624
Exhibit P12

PX 12

HOLIDAY BOWL-O-MAT

	9 months 8/31/61	8/31/62	8/31/63	8/31/64	8/31/65	8/31/66	8/31/67	8/31/68	8/31/69	8/31/70	8/31/71	8/31/72	TOTAL
Lineage per lane	10,831	11,717	11,210	10,526	10,213	10,040	9,026	8,098	7,513	8,333	9,754	10,526	
Operating Cash Income	26,128	78,691	74,337	77,700	53,287	34,429	48,219	(10,022)	(20,480)	5,068	39,762	75,388	
Interest	8,011	9,009	12,508	11,315	7,875	3,198	2,586	1,433	2,458	4,341	4,205	2,673	
Depreciation	14,227	14,598	21,151	25,788	26,172	27,018	27,701	27,735	28,244	28,519	30,227	31,292	
Organization Expense	1,569	2,095	2,095	2,098	2,100	372	-0-	-0-	-0-	-0-	-0-	-0-	
Income (LOss)	2,321	52,989	38,583	38,499	17,140	3,841	17,932	(39,190)	(51,182)	(27,098)	1,821	47,871	103,527

A1625
Exhibit P13

PX 13

BOWL-O-MAT PARAMUS

	8/31/61	8/31/62	8/31/63	8/31/64	8/31/65	8/31/66	8/31/67	8/31/68	8/31/69	8/31/70	8/31/71	8/31/72	TOTAL
Lineage per lane	13,830	12,192	11,250	10,570	9,355	8,117	7,490	6,829	6,863	6,906	6,996	8,780	
Operating Cash Income	105,460	73,278	50,269	62,745	45,172	7,820	153	(13,572)	(4,646)	(1,609)	10,420	43,207	
Interest	18,596	17,481	15,299	10,478	9,384	8,812	9,247	9,762	10,158	11,055	12,901	12,554	
Depreciation	47,461	36,757	37,342	37,427	37,432	38,902	39,555	40,523	40,605	40,956	41,165	42,466	
Organization Expense	1,657	1,621	1,550	-0-	-0-	-0-	-0-	-0-	---	---	---	---	
Income (Loss)	37,746	17,419	(3,922)	14,840	(1,644)	(39,894)	(48,649)	(63,857)	(55,409)	(55,153)	(44,536)	(10,542)	(253,601)

PARAMUS MARKET

NUMBER OF LANES	NAME OF CENTER	DISTANCE FROM BOWL-O-MAT	
36	Ten Pin	1/2 mile	ALL BCOD
32	Fairlawn	3 miles	
40	Lodi	5 miles	
40	Interstate	7 1/2 miles	
148			
36	Bowl-O-Mat		
18	Rt. 4	2 miles	
38	Esposito	1 1/2 miles	
28	Martones	3 1/2 miles	
26	Eclipse	4 miles	
50	Bowler City	2 1/2 miles	
40	Club 300	5 1/2 miles	
236			
384			

$384 \overline{)148}$ (37%) = BCOD has 39% of market

3/16/73

A1626
Exhibit P14

PARAMUS BOWL-O-MAT

	1965	%	1966	%	1967	%	1968	%	1969	%	1970	%	1971	%	1972	%	Eight Year Total	
Bowling	$160,692		$143,437		$136,573		$125,667		$136,137		$138,674		$148,482		$195,775		$1,185,437	
Shoe Rentals	5,298	3%	4,703	3%	4,645	3%	4,251	3%	5,452	4%	6,064	4%	7,981	5%	10,939	6%	49,333	4%
Snack Bar	35,318	22%	47,136	33%	61,558	45%	49,913	40%	50,136	37%	51,093	37%	42,639	29%	40,886	21%	378,679	32%
Bar	59,221	37%	60,131	42%	54,914	40%	49,097	39%	47,220	35%	34,891	25%	43,495	29%	56,867	29%	405,836	34%
Machine & Misc.	4,006	2%	4,617	3%	3,801	3%	3,601	3%	5,512	4%	4,639	3%	2,725	2%	3,058	2%	31,959	3%
	$264,535		$260,024		$261,491		$232,529		$244,457		$235,361		$245,322		$307,525		$2,051,244	

Net income % after cost of goods and labor:

	Bar	Snack Bar
1972	54%	16%
1971	44%	19%
1970	31%	6%
1969	28%	8%
1968	32%	3%
1967	27%	22%
1966	37%	23%
1965	46%	21%
Total	299%	118%
Eight Year Aver.	37%	15%

For each additional $1,000 of Bowling Revenues, net income increases:

Bowling			$1,000	@	90%	=	$ 900.
Shoe Rentals	@	4% =	40	@	90%	=	36.
Snack Bar	@	32% =	320	@	15%	=	48.
Bar	@	34% =	340	@	37%	=	126.
Mach. & Misc.	@	3% =	30	@	100%	=	30.
							$1,140.

EXTRA WTY

AT OPEN CONVENTION SESSION

PLAINTIFF'S EXHIBIT

9-17-73

PL. EX 104 adm.

Hanigan Discusses Brunswick

Probably no single presentation during BPAA's 33rd annual convention so thoroughly captured the interest of all BPAA members as the speech delivered by John L. Hanigan, president of Brunswick Corporation, before an open session on June 24. Therefore, Mr. Hanigan's remarks are reprinted here in full. Another article, dealing with the reaction of the BPAA membership to these remarks and other related items, appears on next page.

I AM NEW TO THIS business, and that is one of the reasons why I am so pleased to be here with you today. I want to just accomplish two things: one is just to talk about your business and the second is to introduce to you Jim Urbanek, who is the brand new president of our Bowling Division. Jim's been on the job for about a week and I thought it would be a little rough to ask him to talk to you with that short experience.

In talking business to you, I would like to review two things today. The first thing that I want to go over are the new policies that the Brunswick Corporation has adopted in the past year. And the second thing that I want to talk about at some length are the guide lines that our legal people have laid down for us in the conduct of our retail bowling operations that you all know of. I have been led to believe by many letters that this would be of some interest to you and, therefore, I am going to go into it in some detail.

The first thing is our new policies. These consist of four different but related points. In the first place we have set up for our bowling equipment, firm prices. The second new policy is that not only will we have firm prices, but we [illegible] conditions. We also have, at this time, a more realistic credit policy. These three policies, gentlemen, are to make sure that nobody in the bowling business gets from Brunswick a better deal than anyone else gets. And you can rest assured that when you get our quotations for prices, terms and conditions of sale, that you have got the best there is. The fourth new policy or decision that we have made in the past year is to operate some bowling centers ourselves; and, I know that many of you are concerned with this decision.

When we made these policy decisions in the corporation, we anticipated some reaction from the bowling proprietors. And I can assure you that we have not been disappointed. We are convinced that these changes are sound, and it may surprise you to know that some of the bowling proprietors agree with us and there are also quite a few that don't. The reason that I say that these decisions and policies are sound is because they are for the good of the whole industry. They are aimed at making the bowling business a more profitable venture and, therefore, they are good for us too. We really are in the business of selling to you money-making machines. And if they do that, they are successful; and, we are. And if they don't, you and we are not.

The vast majority of bowling proprietors are happy with their business. They are happy with it because it is profitable and they are happy with it because they see a future. Attesting to this fact is the fact that more bowling proprietors are looking forward to expanding at some time in the future. There is a minority group, however, that is not doing so well. And at looking at this minority group who are unable to meet their obligations, we have analyzed the situation and there are three causes for their troubles. In the first place, their establishment may be in the wrong location. In the second place there may have been a lack of adequate capital in the business. In the third place there may be uninterested or inadequate management. And, gentlemen, these are the three reasons why bowling establishments fail. Now when we are faced with the situation that a proprietor is unable to pay us what he owes, we go all out and make an exhaustive search with him for [illegible]

Eg Hanigan Ex 9

EXHIBIT A-1

A1628
Exhibit P27

John L. Hanigan, Brunswick Corporation president, addresses an open session of BPAA's 33rd annual convention in San Juan, Puerto Rico.

Policies

of arranging things so that he can have a healthy and profitable business, because it is only in this way that we can profit. When we have exhausted all possibilities of helping, we are then faced with a decision. We can either repossess the equipment or we can let him go on not paying. There are only those two things.

We have decided in these cases that the right answer is repossession. And the reason for this is that we think it is unfair to other bowling proprietors who are paying us or our competitors, to give some people a free ride. After we have repossessed a house, we then analyze the situation by sending in a team of people who are prepared to do a thorough job. If the house is in the wrong location, there isn't much that we or anyone else can do about it. And in this case we have to physically remove our equipment. If, however, the problem is inadequate capital or management, we then are faced with a further choice. We can either sell the establishment or operate it. Now if we can sell it, we will. But, as you know, at this time with investors, the bowling business does not have too good a reputation. I think it should have. I think it's a very good business; but, the fact is it doesn't have. And, therefore, sales are kind of hard to come by. So in many cases, we are then forced to operate. Now the things that I have just gone through, I would like to sum up and put together.

When we are in trouble and a proprietor is in trouble we have four choices: we can repossess and remove our equipment, we can leave it in place and not collect, we can sell it for the equipment price or we can operate it and rehabilitate the business and sell it as a good business.

We have had letters from proprietors objecting to each of these four courses of action. And we decided you can't win them all and we might as well do the thing that is right for the bowling business, because whatever is right for the bowling business is right for us.

We believe that a house that is sick or that has been closed down is worse for your business than a healthy competitor. And I wish you would think that over. We also believe because of this that we should only pull our equipment out of the house physically as a last resort, because this gives the business of bowling a bad reputation in the area. The best solution that we see for you and for us is to operate until these houses are profitable and then to sell them on a multiple of earnings basis. A lot of people have said to me, "You'll never get that much." I don't see why not, because other businesses are sold on this basis and I don't see in what way the bowling business is different in as far as being a business is concerned. The thing that this will do, to sell for a multiple of earnings, is get people out of the habit of thinking of bowling establishments as pieces of equipment. A well-run bowling establishment is a going concern and has a much higher value than the simple value of the land, buildings or equipment that is installed therein. And we intend to do everything that we can to make sure that we increase the value of your investment in your business. So much for that.

When we decided to go into the operating business, we asked our legal counsel for advice as to what we must do to make sure that we obeyed the laws of the land. Lawyers can get pretty long-winded; but, I have a letter from our legal people (outside legal counsel), which covers fourteen points which they say we must do in order to be really right in this business. I am

See BRUNSWICK, page 16

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A1629
Exhibit P27

Brunswick . . .

(continued from page 35)

going to read them to you, because I think it's important that I get it right and I think it's important that you listen carefully, because I think these fourteen points will cover a lot of things that you have been worried about. I know they did for some of the people that I talked with here in the last few days. There is a lot of preamble in this letter from the lawyers; but, when we get down to the meat of it they say, "You have asked us to furnish legal guide lines for such bowling establishments to be operated by the Brunswick Corporation. Here they are:

"1. Where any such bowling establishment is to be operated by Brunswick Corporation directly, or indirectly through a corporate subsidiary, separate books and records should be kept, reflecting in detail the capital investment, income and expenses of each such establishment.

"2. Repossessed pinsetters and alleys in establishments taken over or newly set up for operation by Brunswick Corporation should be capitalized at Brunswick's current list prices applicable to the resale to others of like repossessed goods in similar condition.

"3. Brunswick Corporation may recondition, modernize or enlarge such establishments, using either new or repossessed Brunswick goods, in order to make them more efficient, attractive and profitable. In such cases, the cost of such Brunswick goods should be charged to the establishment at Brunswick's current list prices for the sale to others of like goods in similar condition."

These three points really are protecting you from unfair competition from bowling centers operated by us. We set them up as if they were independent entities, because that is the way we are going to have to sell them.

The fourth point:

"4. Brunswick Corporation should not consider opening any bowling establishments in new locations for the purpose of placing in them repossessed pinsetters and alleys unless it has been determined by a proper survey in each case that the location and would support such establishment without impairing the business of any existing establishment in the area and that no other person or entity is available which is ready, able and willing to open an establishment in such location.

"5. Brunswick Corporation should not acquire any existing bowling establishment otherwise than through the necessity of repossessing pinsetters or alleys unless it should appear that such establishment had become a failing business and that the operator had requested Brunswick to take it over.

"6. Bowling equipment and supplies received by any Brunswick-operated establishment from Brunswick Corporation should be charged to the establishment at Brunswick's current suggested list prices for the sale of similar supplies and equipment to bowling establishments by Brunswick distributors.

"7. In the event that any articles of bowling equipment or supplies sold by Brunswick Corporation should be in short supply, it should prorate the available supply in an equitable manner between Brunswick-operated establishments and unaffiliated Brunswick customers.

"8. A Brunswick-operated establishment may engage in advertising and promotion up to a level of expenditures comparable to that of soundly managed bowling establishments operated by others."

"9. Any advertising or promotional aid given by Brunswick Corporation to its own bowling establishments, apart from local advertising or promotion charged to the operating expenses of such establishments, should be made available on a proportionately equal basis to all other bowling establishment operators who are Brunswick customers.

"10. Lineage charges of any Brunswick-operated establishment should be maintained at as high a level as local competitive conditions reasonably permit. Special prices, terms and conditions for league play should be according to a non-discriminatory list adopted by such establishment and should be comparable to the prices, terms and conditions of reputable competitors, as nearly as might be determinable. Inducements used to obtain leagues should not be so attractive and persistent as to imperil the business of any existing establishment.

"11. Balls, bags, shoes and other merchandise sold in Brunswick-operated establishments should be sold at Brunswick's suggested retail list prices for the retail sale thereof in other bowling establishments.

"12. Brunswick bowling equipment and supplies handled by Brunswick-operated bowling establishments should not be fair-traded in sales to other bowling establishments in the same state."

We think that our fair trade policy is a good one. And we think that you do. And we are going to continue to fair trade. What this means, gentlemen, is that we can't sell Brunswick balls, bags and shoes, things that are fair-traded in our own establishments. We are going to have to sell something else under some other mark.

Point 13.

"13. In the purchasing of food, liquor, merchandise and supplies from sources other than Brunswick Corporation, Brunswick-operated establishments should obtain written statements from the sellers thereof that the prices paid and inducements received by such establishments do not discriminate against other bowling proprietors purchasing goods of the same grade and quality from the same sellers. Purchasing for Brunswick-operated establishments may be centralized, provided that the central buying agency should not induce or knowingly receive, directly or indirectly, any unlawful discrimination in prices, terms, conditions or services in connection with such buying.

"14. Neither Brunswick Corporation nor any subsidiary operating a bowling establishment should become a member of BPAA or of any local affiliate thereof, or similar organization

(continued on next page)

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Exhibit P27

(continued from previous page)

of bowling proprietors. No one employed by Brunswick Corporation or a subsidiary should agree or cooperate with any such organization or with any other bowling establishment operator to fix prices or to restrain or limit in any way competition in the opening or operation of bowling establishments.

"In the event that the foregoing guide lines do not sufficiently answer any questions which may arise with respect to particular circumstances or transactions, we shall be happy to discuss such questions with you when they arise."

This last one, the one that has to do with the BPAA, has been taken up rather exhaustively with your executive committee by our General Counsel the day before yesterday. I think it is clear why we feel the way we do and what steps can be taken so that we can join the BPAA, which we would very much like to do.

I know that some people are very suspicious of our motives in setting up retail establishments. People are afraid that we are trying to dominate the bowling business. To give you some idea of how ungrounded these fears are, we figured out that the investment that you have in bowling establishments exclusive of buildings and land is four billion, four hundred million dollars. If we were to try and acquire ten per cent of bowling establishments in the country, this would mean that we would have to invest in them four hundred and forty million dollars. Our net worth is two hundred million dollars. And this includes land and buildings and a lot of other businesses besides bowling. So that in order to have a ten per cent ownership of the bowling establishments in this country we would have to give up all our other businesses and invest everything in that; this we are not about to do.

I might say that these fourteen points that I read to you are now our policies for the operation of our bowling centers. There we will follow.

We think that the bowling business is a good business. We know that a lot of people in years past have run it down. Proprietors felt that they didn't want competitors. We think that this is wrong. We think you ought to tell the world through the BPAA or any other means that comes to hand what a good business you are in, because if you do the value of your investment will rise. More people will come into the business, sure they will; but, that will mean that you are in a growing dynamic business and one that makes money. We think this is important and we have a lot of things coming along to help you in this endeavor.

Now I'm through. I just wanted to tell you, from a corporate standpoint, how we felt about the bowling business. We think it is great. We want to be in it. We want to be leaders in it as we have been in the past; and, we are going to do everything to keep that spot.

— BPAA —

September!
Back
To
Bowling

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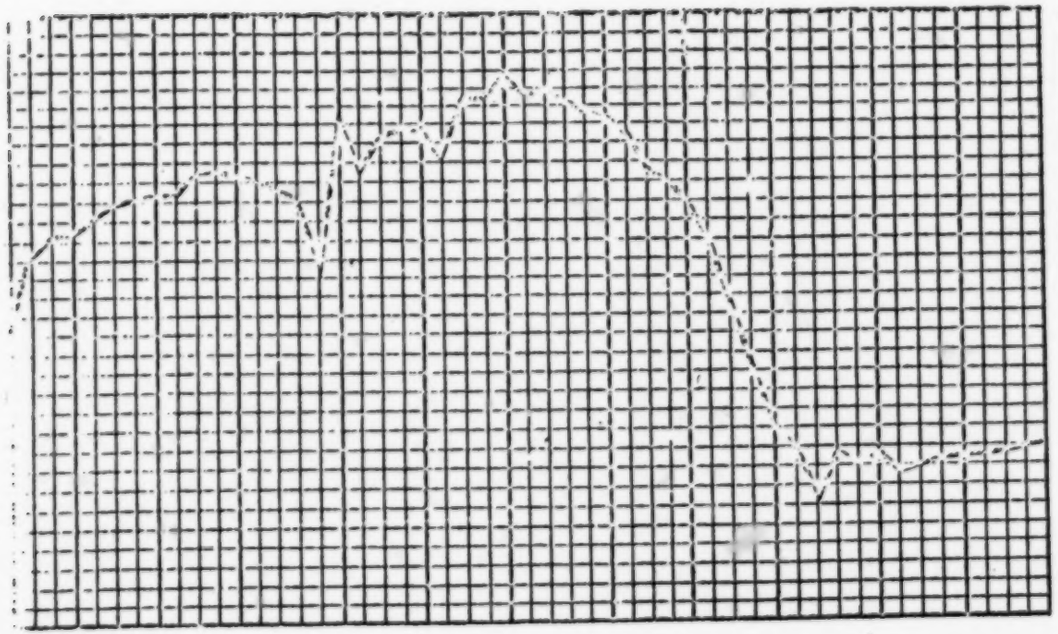
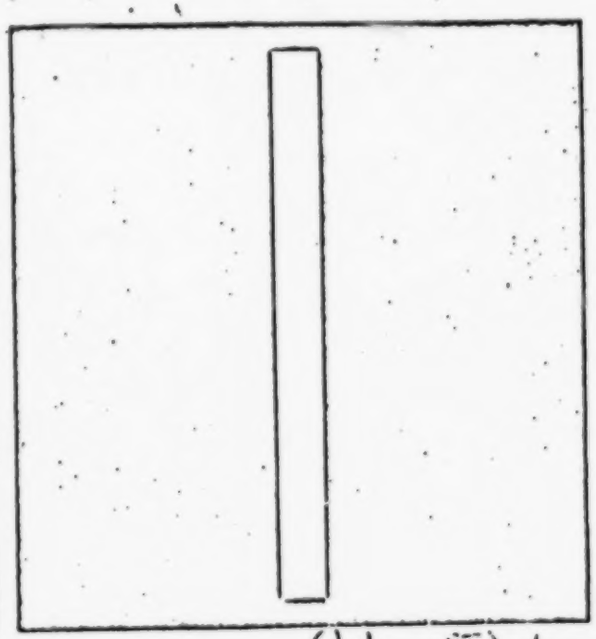
Exhibit P29

the name of the game is:

HOW TO MAKE MONEY





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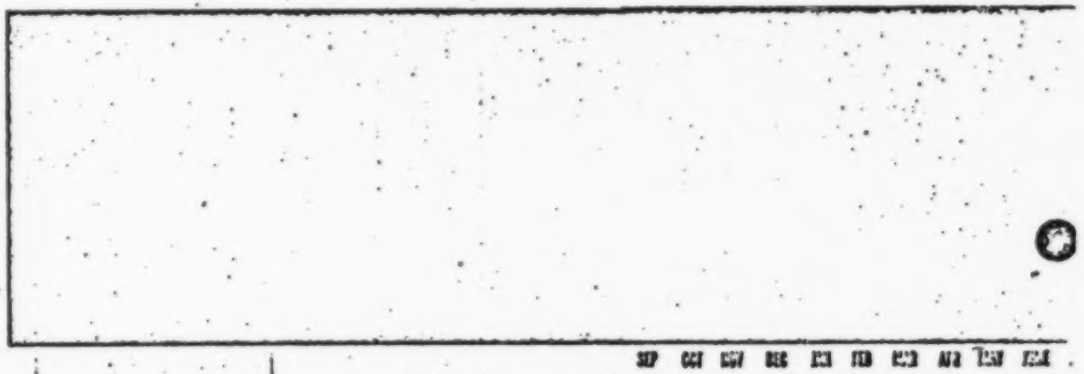

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3

the name of the game is:

HOW TO MAKE MONEY

An outstanding businessman and prominent bowling operator once told us that we would never fully understand this business until we got out there and actually operated a center. Now we are out there and can agree this was a sound observation.

Although Brunswick has been the number one name in the industry for more than 65 years, we had never really participated as an operator until 1965. Now Brunswick is operating bowling centers and through this experience we are gathering a considerable amount of information. Consequently, we can also share your point of view, and have a much better idea of the problems involved and how they may be solved.

Under our management we have learned that most of the centers which we are operating can be profitable. Many of our centers, which were formerly hopelessly delinquent to our credit department, are now self-sustaining. These centers are offered for resale to independent businessmen where equity is available.

Brunswick rehabilitates failing bowling centers by applying three sound business principles:

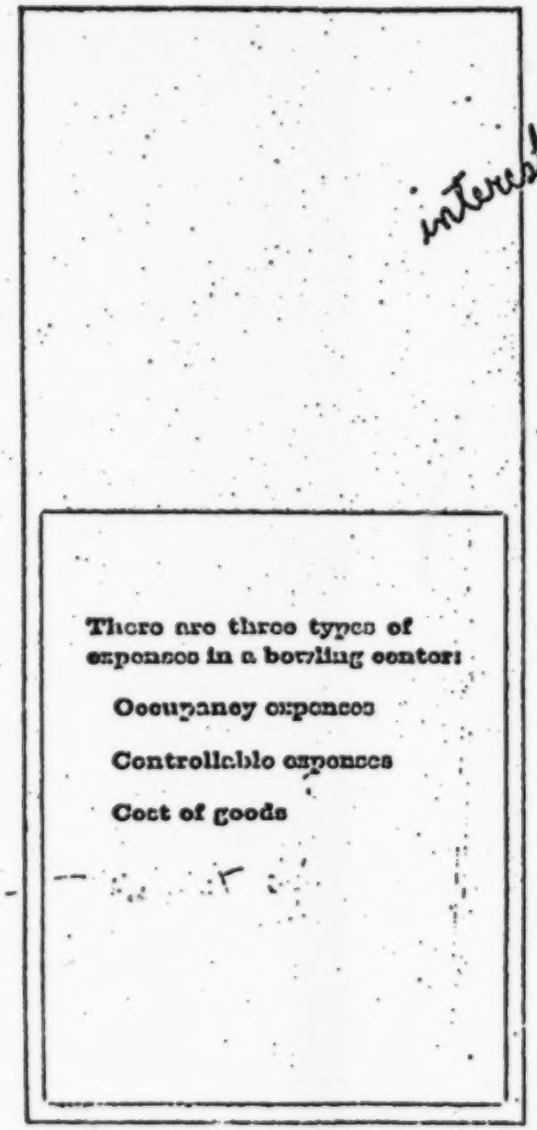
1) Categories of expense should be analyzed and controlled.

2) A fair margin of profit should be included in the price of all products and services.

3) All marketing and promotion efforts should be pre-planned.

In the following pages you will see how we apply these three business principles. All figures and examples are based on our experience in operating bowling centers from coast to coast. We hope this basic information will provide a realistic checklist for comparison with your operation.

First, analyze the entire operation in order to control expenses



OCCUPANCY EXPENSES

Occupancy expenses are "fixed" and include rent or mortgage payments, depreciation, insurance, license fees, and real and personal property taxes. Once committed, management has little or no control over these expenses, which vary according to geographical location.

CONTROLLABLE EXPENSES

Most expenses incurred in the average bowling center, however, are controllable, and are related to volume of business. 80% of these controllable costs are incurred in payroll, maintenance and service, supplies and utilities. Here's how a Brunswick center manager should analyze his operation and control these costs.

Payroll

Total payroll should not average higher than 25% of the total annual revenue, depending on local unions and labor conditions; bar payroll —not higher than 25% of the total bar revenue; and restaurant payroll—not higher than 35% of restaurant revenue.

If payroll costs run higher than these averages, management should ask these questions to know where to reduce costs:

1) How many hours should the center operate?
2) How many people are needed to operate the center?
3) How many jobs are essential?
4) How many people are needed to perform all jobs?

Very often bowling center's personnel are employed for more hours than needed. For example, a restaurant or snack bar may be open during unprofitable slack periods. Hours of operation can frequently be reduced, thus reducing payroll costs.

Payroll costs can also be reduced by early planning of summer hours. The chart on the cover shows that the summer Energy drop-off begins in April, which means summer hours and payroll reduction

should be in effect by May. We decide several months ahead of time what summer business hours will be and how many people are absolutely essential, in order to reduce payrolls at the end of the regular league season.

40% of payroll costs is for maintenance labor (mechanic, pinchaser, lane man and porter). If maintenance labor costs more than 45% of total payroll, we take a close look at jobs performed in order to reduce this cost. Perhaps one man can do several jobs . . . perhaps the maintenance labor force can be reduced during the summer.

Maintenance, Service, and Supplies

A major way to reduce maintenance labor and supply costs is to follow proper preventive maintenance procedures. Our training facilities are available for all proprietors and their mechanics. In addition, we offer manuals on every aspect of maintenance, manuals which provide procedures for proper preventive maintenance with a minimum of labor costs. These recommended procedures are followed in all Brunswick centers.

Most commercial centers buy contracts to service air conditioners, which usually cost $20 to $27 a lane per year. We are training our pinsetter mechanics to maintain air conditioning and heating systems, thus substantially reducing the cost of this service. When properly trained, the pinsetter mechanic frequently is able to increase the efficiency of the air conditioning system, thus reducing electricity costs.

Once this training program is fully developed, we plan to offer an air conditioning workshop to all commercial pinsetter mechanics.

Upon assumption of the operation of a bowling center, Brunswick's policy calls for an overhaul of the physical layout and equipment. Once completed, the following standards, based on the application of our preventive maintenance program, are established for repair, maintenance, supplies and pin costs. These average standards will vary depending on geographical location, lineage and size of the center.

REPAIR AND MAINTENANCE	Per Lane Per Year
Small tools	$ 2.00
Pinsetter parts	30.00
Pinsetter maintenance supplies	6.00
Lane parts	30.00
Lane maintenance supplies*	27.00
Pin maintenance supplies	4.00
Refrigeration equipment**	9.00
Air conditioning & heating**	27.00
Building interior (for interior painting add $6.00 per lane per year)	16.20
Other repair and maintenance	12.00
Vending machine	20.00 (per machine)
Billiard equipment	97.00 (per table)
Signs	100.00 (per sign)
Restaurant equipment (based on an average sized coffee shop with 6 employees and 30 seats—does not include refrigeration equipment)	200.00 (total restaurant)
Bar equipment (based on 2 bartenders & 1 waitress)	150.00 (total bar)
OPERATING SUPPLIES	**Per Lane Per Year**
Bowling supplies	$ 52.20
Lighting supplies	9.00
Janitorial supplies**	19.00
Billiard supplies	15.00 (per table)
Restaurant supplies (based on same size as above)	1,400.00 (total restaurant)
Bar supplies (based on same size as above)	470.00 (total bar)
PIN COSTS	**Per Lane**
Cost per lane with proper maintenance	$0.000

*Includes recoating materials but not resurfacing
**Does not include air-conditioning and service contracts

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We continually look for and develop new products which help reduce maintenance costs. Several new products are the result of studies made in Brunswick centers. Once developed, they are made available to all commercial establishments. Examples are: Brunswick Shield all-purpose urethane coating and Brunswick Super Seal acrylic Floor Finish.

Utilities

Utilities run as high as $33 per lane per month. Brunswick compared utility costs in bowling centers with similar industries and discovered that by modifying or adding electrical equipment, and by consolidating feeder lines, utility costs could be reduced through re-evaluation of a center's electrical classification.

In order to take advantage of this information, each utility company which serves a Brunswick center was asked to make a recommendation for more economical ways to operate the center and to check the center's classification and utility rates.

After electrical equipment was modified as recommended, 20% of all Brunswick centers received rate reductions. The savings amounted to 10% of total utility cost in many of these centers.

A sample of the letter which we sent to local utility companies was submitted to the BPAA., and every member can take advantage of this opportunity to save utility costs.

There are also national consulting firms, available to bowling center management, which provide guidelines for reducing utility costs. Fees are usually based on a percentage of savings realized.

COST OF GOODS

Cost of goods is a cost of products sold. The major products are pro shop, food and beverages. Cost of goods is determined as follows: value of beginning inventory plus purchases, minus value of ending inventory, equals the cost of goods.

The cost of goods is usually measured as a percent of sales for the product. Brunswick centers are budgeted to meet the cost of goods percentages shown at right.

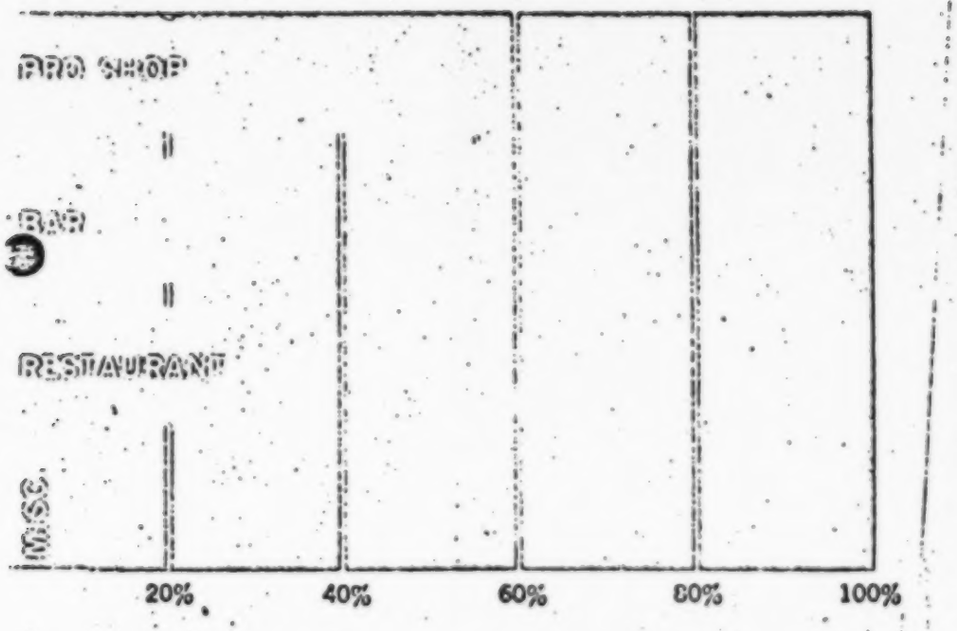
In other words, when we sell a dollar's worth of food, it costs 37¢ for the food product. To determine food cost of goods percentage, divide total cost of goods by total sales of food.

This percent indicates what resale items actually cost and is used as a control factor for day to day operations.

Restaurant and Bar

Cost of goods in restaurant and bar varies according to the type of restaurant operated. Cost of goods should run under 30% for snack bars, under 35% for coffee shops and under 39% for full service restaurants.

Cost of restaurant and bar goods can be effectively reduced through adequate controls, which can turn a losing operation into a profit maker.



Here are several practical control methods used in Brunswick Centers:

1) Put one person in charge. The bowling center manager cannot be expected to run the food and beverage operation.

2) Check inventory against sales periodically.

3) Security is of utmost importance. Be sure all products are properly locked.

4) Remove all slow-moving items from the menu.

5) Provide people preparing food with menu specifications. Include correct portion per serving and specific directions on how to prepare all food.

6) Display menu boards with correct prices on all foods.

7) Use a cash register which separates liquors, draft beer, bottled beer and food.

8) Preprint cash bar guest checks with standard menu items and prices. This increases efficiency as well as serving as a cost control.

Pro Shop

In order to control cost of pro shop goods, we maintain tight control on inventory. Brunswick centers carry a very short ball, bag and shoe line of proven fast sellers. For the 1967-68 season, the BCO line with color variations will be 6 balls, 11 bags and 3 shoes.

This short line means:

1) Each center has fewer stock-keeping units, and enables each manager to order each unit in depth.

2) Faster inventory turnover. Each Brunswick center is budgeted for three to four turnovers a year in resale products.

3) Each Brunswick center orders a large quantity of units with each order thus receiving the full dealer discount.

Second, proper pricing makes money

In order to make money there must be a fair margin of profit in the price of the product. This is a sound business principle and applies to bowling as well as any other product.

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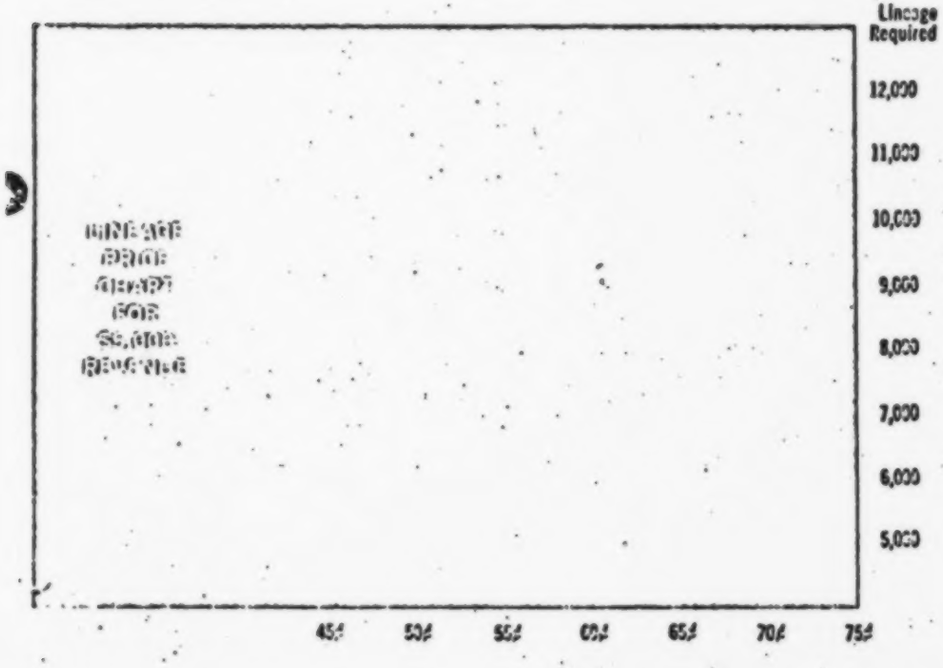
In many of the centers which Brunswick took over, prices had been reduced prior to take over in an attempt to increase lineage. This attempt usually failed. On the other hand, our experience has shown that increasing prices can increase revenue without materially reducing lineage. Local BCO lineage rates are at least comparable to or higher than rates charged by soundly managed centers in the area.

The following chart shows the effect of volume and price changes on revenue. Let's assume we need $5,000 per lane in revenue to pay expenses and make a fair profit. The chart indicates how much volume you must generate at different price points in order to gross $5,000.



Other Sources of Revenue

A bowling center is many types of businesses. The chart at right shows what share of the average BCO revenue dollar is generated by each type of business.

For each dollar of revenue, for example, 9.8c is generated by the restaurant. Cost of restaurant goods should never be lowered by buying inferior quality food products. When a few cents more is paid and higher quality food is served at a fair price, business and profits can be increased. In the pro shop, sell only items which can competitively bear a fair margin of profit.

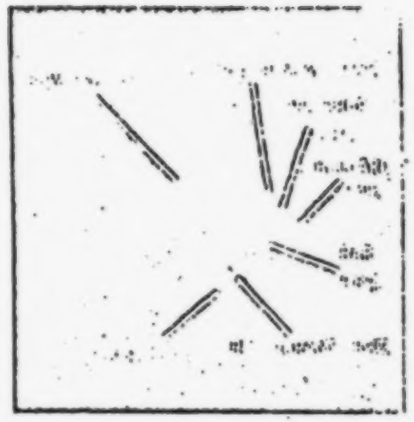


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Exhibit P29

Third, increase volume through market planning and promotion

Management should follow three steps to increase volume through market planning and promotion:

Make sure the center is operated properly

Pre-plan the program for a specific market

Follow through on all promotions

PROPER OPERATION

A bowling center must be operated properly before new bowlers are developed, or else new bowlers are lost as fast as they are developed. At the right is our list of items which are continually checked and rechecked to make sure Brunswick centers are in order and properly staffed:

BCO CENTER CHECK LIST

NAME OF LOCATION:

CHECK:

CLEANLINESS AND CONDITION OF
- Parking Lot
- Signs
- Windows
- Lights
- Bowling Pictograms
- Manager's Office
- Settees & Approach Area
- Lanes, Pin Decks
- Machine Area
- Pinsetters
- Telephone
- Bar
- Restaurant
- Nursery
- Pro Shop
- Billiards
- Rest Rooms
- Lockers
- Tele-Scores
- Ball Cleaning Machine

COUNTER CONTROL
- Pricing Displayed
- Display Cards Properly Used
- Condition of Rental Shoes
- Approach, Attitude & Dress of Employees (name tags)
- Type of Signs Used
- Promotional Flyers in Evidence
- Use of P.A. Announcements

RESTAURANT AREA
- Security of Food
- Menu Pricing Posted
- Vending Machines—Clean & Full
- Cleanliness of Dishes, Equipment, Fillers, etc.
- Approach, Attitude & Dress of Employees (name tags)
- Check Food & Beverage Costs

BAR AREA
- Quantities Sealed on Bottles
- Security of Liquor and Beer
- Approach, Attitude & Dress of Employees (name tags)

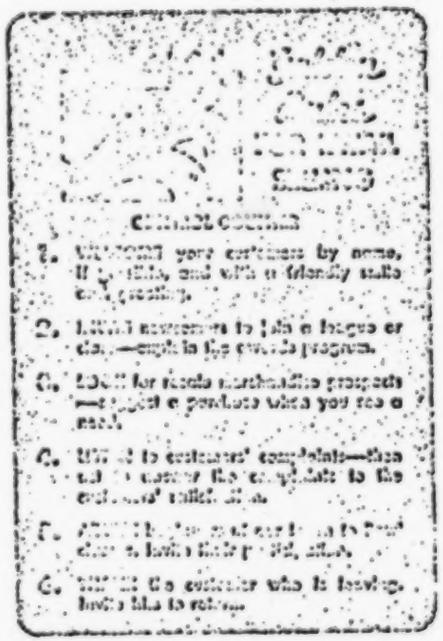
BILLIARD ROOM
- Pricing Displayed
- Physical Condition of Tables, Cues, etc.

REST ROOMS
- Condition of Toilet Stalls, Urinals, Supplies, Dollar Bill Paper

PRO SHOP
- Chart, Displays
- Pricing of Merchandise
- Security of Retail Items
- Check Sales Slips

Counter control staff must be properly trained in order to perform all jobs correctly. Below are our Golden Rules for retail selling which are used in training Brunswick Center staff:

MAINTENANCE AREA	Condition of Pits Condition of Pins Condition of Tools Condition of Frenchmaster Seats Condition of Pit Carpet Quantities of Supplies and Parts Maintenance Schedules
MANAGER'S OFFICE	Condition of Desk, Security of Money Status of Market Development Board Measure Progress and Results of Learn to Bowl and League Sales by Reviewing Monthly Promotion Reports Observe Learn to Bowl Classes and Telephone Solicitation Check All Promotional Tools and Materials to See if Being Used Properly Up-to-Date Status of League Schedule Boards, Summer and Winter Status of League Attendance Cards Mailing List File (Birthday Parties, Team Registration Cards) Check All Phases of National Tournament Check Tournament Results Review Present and Planned Promotions Center Security and Safety Hazards Discuss Competitive Situation, Price Structure and Economic Conditions of Area Personnel Problems Review Training Programs, Observe Working Habits
ACCOUNTING	Petty Cash Funds or Date of Last Report Frenchmaster Reading (Foul Cards) Last Date of Daily Report & Deposit Slip Time Card Rack vs. People Working Proper Use of Cash Registers Audit Score Sheets, Petty Cash, One Day's Bowling Receipts and Deposit Slips Check Lane Users and Lineups and Compare With Cards Check Discrepancy Reports and Several D. J.'s Cash Reports at Random Review P & L Statement



Counter Control

1. Welcome your customers by name. If possible, and with a friendly smile and greeting.
2. Learn everyone to bowl a league or clinic—explain the awards program.
3. Sell for needs merchandise prospects—suggest products when you see a need.
4. Refer to customers' complaints—listen and then correct the complaint to the customer's satisfaction.
5. Attempt to sell one or more items to [illegible] before they pay bill, also.
6. Thank the customer who is leaving. Invite him to return.

THE GOLDEN RULES OF RETAIL SELLING

The Golden Rules for Retail Selling that apply to your position as an employee of this Brunswick operated bowling center are there applying to everyone dealing with the public in a sales capacity. Work each Golden Rule with one part of your mind, apply it literally to each customer and you will contribute your share to the success of the center. Keep this card in your wallet. Review it often. Apply the Golden Rules every day.

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MARKET PLANNING

After the center is running properly, the management should have a market plan for new bowlers tailored to the specific area. In Brunswick Centers a plan is updated every four months. The plan includes a goal for a specific number of new bowlers for each center. As a result, an average of 350 people learn to bowl per center each year. More than 63% of these newcomers are converted to league bowlers.

BCO follows the same basic plan provided to commercial proprietors at Brunswick Field Management Seminars. All bowler development is built around Brunswick Learn to Bowl classes. League sales, door-to-door and telephone techniques are all used, depending on the target market areas. League sales are included in all plans because it is the most economical technique and produces groups of bowlers. League sales appointments are made one or two weeks ahead of each call. The prospect is offered bowling as a service with a free bowling party as incentive to the group.

In developing a market plan, management should ask itself, is it worth $4 to $5 per bowler to develop a new league bowler who can generate $120 per year revenue? This cost for new bowlers should include Learn to Bowl instructors, printed materials, door-to-door and telephone sales people, and miscellaneous expenses.

PROMOTION PROGRAMS

All promotional activities in Brunswick Centers are preplanned many months in advance. Before each event, all employees are alerted and trained, so that each person knows what he or she will do during the event. Brunswick Centers will also participate in the National Bowling Council "Bring a Friend" program.

In addition to Market Planning, Brunswick Centers have four basic promotion programs:

Tournament Program

Each Brunswick Center plans and runs a minimum of eight tournaments and special events during the regular bowling season. A sample schedule is shown at right.

Junior Program

Brunswick is helping develop new bowlers for tomorrow by a concentrated program aimed at the junior market today. Each Brunswick Center has a year-round program for junior bowling shown at right.

In addition, our Junior Program includes support and participation in the BPAA All-America Youth Tournament, the use of promotional junior bowling shirts and patches, a birthday party promotion and "Junior Friendship Days" from May through August.

Summer Program

The summer program planning begins in December and is implemented beginning in February in Brunswick Centers. In addition to summer leagues and open play hours, special Learn to Bowl Classes are formed.

Coupon books, which are redeemable for one free game of open play per week during the summer, are given to all qualified winter league bowlers. Our past experience is that approximately 18% of all coupons distributed are redeemed, and more than two additional paid games are bowled for each free game.

This promotion provides an incentive for winter league bowlers to come in and bowl regularly during the summer.

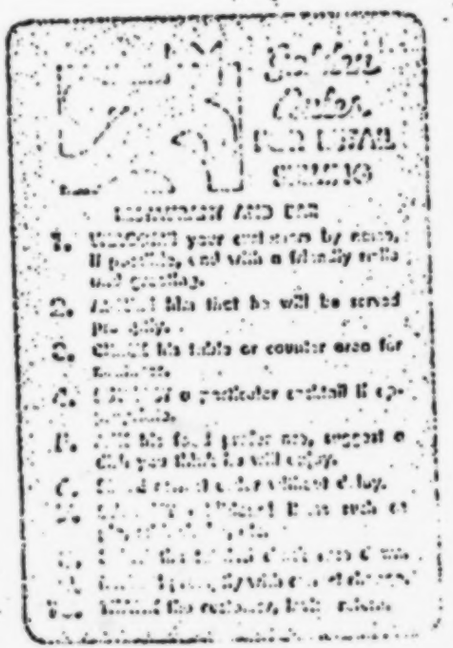
Senior Programs

In 1980 there were 18 million persons in the United States 65 years of age or older. This is a growing market for bowling and a special program has been developed by BCO aimed at senior citizens called "Clubhouse 55". The object of this promotion is to encourage senior men and women—55 years and older—to participate regularly in the healthful sport of bowling and other activities in our bowling centers.

RESTAURANT AND BAR

Our revenue from food and beverage averages 20% of the total revenue nationally, but reaches as high as 50% in some of our bowling centers. The higher revenue potential can be reached if management has proper interest and knowledge, good controls, and promotes the food and beverage operation.

All restaurant and bar personnel should be properly trained on how to approach guests, take orders and serve food and beverages. Below are our Golden Rules for retail selling for restaurant and bar:



We do not expect a bowling manager to run the food and beverage operation. A different person is put in charge of our larger food and beverage operations with a base salary plus bonus. In small snack bars, the food and beverage manager is a working employee with additional responsibility and authority. Women often make the best managers in smaller operations.

It is preferable to find a person who is familiar with restaurant and bar operations as manager. When this is not practical, basic food and beverage knowledge can be obtained from literature offered by the National Restaurant Association. Additional training is available for managers of larger operations at Cornell University and Michigan State.

In bowling centers where food and soft drink revenue averages less than $1,000 a month, we usually install full-line vending service in place of the restaurant or snack bar. This includes coffee, cold drinks, snacks, cigarettes, candy, and in some places, sandwiches. If a proprietor is considering vending, he should shop the area carefully, and base his choice of vendor on price, quality, service and reputation. Vending operations should be carefully controlled by supervising all collections and by keeping a record of monthly sales.

In addition to contracts with national and local vendors, Brunswick is operating its own vending service in several centers on a test basis. Results of this test will be relayed to commercial proprietors.

RESALE PRODUCTS

A bowling center has a built-in market for bowling balls, bags and shoes. This market can be reached through:

1) Proper display and internal promotion—displays of balls, bags and shoes are kept clean, and changed every two or three weeks. Flyers are mailed to all regular bowlers advertising product features.

2) Motivation of personnel—personnel should be trained how to sell and taught product features during regular meetings. Incentive contests are held with merchandise offered as prizes.

3) Proper selection of products—a short line made up of fast-selling items assures faster turnover.

4) Proper pricing—the line should include medium to high-medium priced items. All resale items are priced to realize a fair margin of profit.

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The name of the game is:

BOWLING

In addition to rehabilitating failing centers and establishing a true value for commercial centers, BCO benefits the bowling industry in five other vital areas:

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NEW BUSINESS BUILDING TECHNIQUES

The operation of bowling centers provides a way to test and implement new business building management techniques. Since our primary interest is to advance the bowling industry, successful techniques and innovations are being made available to the industry for general use.

Current techniques are included in this report and new techniques will be relayed to you through Brunswick Field Management Seminars, Management Schools, Brunswick Sales Representatives.

MANAGEMENT PERSONNEL TRAINING

It is our policy not to hire management personnel away from active bowling centers, but to recruit and train new people. Through this method we provide the industry with a growing corps of qualified bowling center specialists who manage according to the sound business practices learned in extensive BCO training programs.

To date, 320 managers and assistant managers have graduated from BCO training sessions. Over 85% are completely new to the industry, being former teachers, military men, restaurant men, etc.

NEW PROMOTIONS

BCO also provides a means of developing and testing promotional ideas and programs. Several new programs aimed at the Junior and Senior markets are currently being tested in BCO Centers. Programs which prove successful will be developed and offered to commercial management. In the future, BCO plans to develop and test new programs aimed at the men's market.

NEW PRODUCT TESTING

Brunswick Centers provide a means of field-testing new supply and equipment products. Products are tested for time and cost savings, extra income, and bowler convenience. Products which prove successful in field-test are offered for sale to the bowling industry.

NEW BOWLERS

More than 82,000 newcomers have been trained in BCO Learn to Bowl classes since January 1, 1966. Approximately 53,000 joined regular leagues as a result. This is a significant addition to the bowling population at the grass roots level.

If every bowling center in the country would teach 350 newcomers how to bowl each year, this would mean an increase of three and a half million new bowlers per year. And if every center converted at least 50% of [illegible] leagues, it would mean 1,750,000 new league bowlers per year.

A1649
Exhibit P29

The Number 1 name in the game is:

BRUNSWICK

Selling bowling equipment, supplies and services to the bowling industry is our business. Here is why Brunswick has been recognized as the number 1 manufacturer of bowling products for almost three quarters of a century:

FULL-TIME PRODUCT RESEARCH AND DEVELOPMENT PROGRAM TO PROVIDE BETTER PRODUCTS

Brunswick has spent millions of dollars in the past decade for the development of new products and products innovations. In 1967 we introduced:

- Jet Back pinsetter conversion that ends "late start" problems at half the cost of full conversion.
- Jet Flow seating that provides new styling, new comfort and new flexibility of arrangement.
- Super Seal acrylic floor finish that lasts longer and won't transfer to lane approaches.
- Shield all purpose urethane coating that cuts maintenance cost and protects your center equipment.
- Resale profit-makers [illegible] Crown Jewel [illegible] tempered finish and the revolutionary Trac-Master ball line.

PROMOTION OF BOWLING TO CONSUMERS

Brunswick allocates over 2 million dollars a year to the promotion of bowling. Included in this budget are:

- Lifetime Sports Foundation—The Foundation is dedicated to teaching at the school level and furthering the sports in which a player may participate for his whole life. In more and more schools, bowling is now a part of the regular physical education curriculum.
- Brunswick contributes to the BPAA for the development of programs to aid proprietors.
- Brunswick co-sponsors, through the Sport of Bowling Council, the BPAA All-America Youth Bowling Program.
- Brunswick has contributed equipment and promotional dollars to the BPAA All-Star Bowling Tournament since 1941. The 1968 Milwaukee tourney will mark the fourth consecutive All-Star held in a Brunswick installation.
- Brunswick contributes to the National Bowling Council for projects that are designed to develop bowling and will help implement the "Bring a Friend" promotion.
- We will install the entire ABC Bowling Tournament in 1968, marking more than 50 Brunswick installations for the ABC.
- Brunswick contributes to the WIBC to further the interest of women in bowling.
- Brunswick co-sponsors, through the Sport of Bowling Council, the 100-Plus Program to attract youngsters to bowling.

MANAGEMENT TRAINING AVAILABLE TO ALL COMMERCIAL PROPRIETORS

Brunswick has pioneered the idea of management training to assist proprietors to operate more profitably. The original Management School was initiated in 1953 and since then we have offered training in many areas.

Management School—Updated this year to teach management techniques more effectively, the management school has trained almost 6,000 proprietors and managers in 118 schools.

Counter Control Clinics—Designed to instruct counter personnel in how to perform more effectively and more profitably.

Certified Instructor Clinics—A two day traveling school designed to instruct teachers in how to properly teach bowling and how to instill the league spirit that converts more beginners into league bowlers. This, of course, means more bowling and more profit for the centers.

Equipment Maintenance Clinics—To teach maintenance personnel how to increase operating efficiency and reduce down time.

Field Management Seminars—Specifically designed to teach market planning, including the newest techniques and best methods of bowling center operation, so that proprietors will be able to get the most profit out of their operations.

Lane Maintenance Clinics—Developed this year to teach all facets of tournament lane maintenance to achieve uniform lane conditions for maximum scoreability.

IN CONCLUSION

The information in this brochure was provided to give you, the independent bowling businessman, a checklist for comparison with your operation. Hard work and constant development are required to make money in the bowling business. Our policies and practices, as detailed in this brochure, are geared to the same objective—to build the bowling industry with us for you.

A1651
Exhibit P29

Pending Petition/RIVA COMPETITION • NEW YORK, NEW YORK • JUNE 13, 1977

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A DISCUSSION OF BRUNSWICK CORPORATION

by

John L. Hanigan, President and Chief Executive Officer

before the

New York Society of Security Analysts

Pl. Ex. 1241

FOR RELEASE AFTER 2:00 P.M. (E.D.T.)

FRIDAY, JUNE 6, 1969

New York City

June 6, 1969

A1652
Exhibit P30

Thank you for this opportunity to meet with you and discuss my favorite subject --- BRUNSWICK.

I'm going to make the assumption, which I hope is a good one, that you've all looked over the published data on our company, but in any case, it's in the kit that you will get on your way out.

To put the recent past in perspective, I think it might be useful to say, however, that in 1961 sales of the bowling pinsetter were $200 million and accounted for practically all profits; and since 1963, they have been about $4 million per year and have generated losses.

So, we have had our own private depression in the business which generated the earnings to make our acquisitions.

Since 1963, we have been getting along with no bowling earnings.

I'd like to emphasize three additional points before we leave the past, because they are important in understanding our future.

1. We have reduced debt by over $200 million since it peaked in 1962.

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2. During our time of troubles we spent over $100 million on new plants and equipment so that we are in good shape to take advantage of opportunities.

3. During our time of troubles we spent over $70 million on research, development and engineering, so that we have emerging new products and new materials that <u>are</u> these opportunities.

What's new and what's in the future?

We have now three significant earnings bases --- Kiekhaefer/Mercury, Health & Science, and our Technical Products Division.

Mercury hasn't been able to keep up with demand in the marine propulsion field for the last three years, in spite of large additions to plants. Part of this is because the field is growing so rapidly, but part of it is better market penetration. Our entry into the snow machine field has been slowed because of our responsibility to our marine customers. In the next two years we should have in place the last pieces of our five-year expansion plan,

at which time we should be able to balance things out and take a real look at how much the market can absorb and how much of it we can get.

In this division we have two competitive edges. First, a good distribution and service organization, and second, an engineering competence second to none. With these we should be able to continue to prosper.

The Health & Science Division consists of our 85%-owned subsidiary, Sherwood Medical Industries Inc., and the A. S. Aloe distribution system. Aloe, one of only four national hospital supply organizations, made it possible for us to grow the pieces that make up Sherwood very rapidly. We think it can do the same for other small businesses with good ideas or products in this field, so we are looking for such acquisitions. We think we can bring more than just money to such marriages.

On the Sherwood side of this division, we are spending quite a lot of R & D money, and are continually developing new products and processes. The good margins generated in this organization are the result of not only new products but also are the result of a competitive edge we have in process and mechanical engineering that helps us operate at low cost.

A1655
Exhibit P30

In the recreation capital goods field, we have two significant new products. First, a bowling scorer, which is essentially a fairly sophisticated computer, is being installed commercially for the first time this year, and we believe it will make a significant contribution both to the game and our profits in future years.

Second, a very sophisticated golf game, also a computer, that will be market tested here in Queens and in Tokyo next winter. We think this may be a significant item on its own. We have also found in our first market test in Lombard, Illinois, that it changes a bowling alley into a recreation center and more and different people will use the center. We don't know what the future holds for this product and concept, but it looks hopeful.

An additional fourth earnings base may be developing here.

Both of these devices were designed and are being manufactured in our Muskegon, Michigan, plant.

Pl. 124 (illegible)

In the recreation field, we have also been operating 170 bowling houses that we have had to repossess. Up until now, these have contributed

A1656
Exhibit P30

significant cash flow but book losses. This year they will be in the black. We've learned a lot about operating cash businesses, and think that our techniques can be applied to other fields in the future. We've found the bowling business at retail is a good business, and I'm happy to say that this part of our operations, which was necessary as salvage, looks to be profitable for the future whether we operate them or sell them as going businesses.

In our Consumer Division, which includes our brand names --- Zebco, MacGregor and also Brunswick billiard tables --- we have had spotty results. In Zebco, we have done very well, but in some of the other areas, not so well. We have recently put all of our sporting goods together, and by doing as well over all as we have in some areas, a meaningful improvement will be made.

The School Furniture business is not a large part of the overall, but it does contribute to profit modestly. It is very competitive and I don't look for much in the way of additional growth here.

Owens Yacht has not been in satisfactory shape for some time,

but it appears to have successfully changed its reputation, and now has a new problem . . . how to make enough. This division, while small, has been a minus that should turn plus by next year.

The Technical Products Division is one that most people don't connect with Brunswick. It has two distinct sectors - Defense, which is profitable; and Metal Fibers, which is not, but is much more interesting.

In the Defense business, we are operating in two distinct fields - strategic and tactical. In the strategic field, we make sophisticated radomes for such airplanes as the Phantom, F111, and C5A, as well as Polaris missile cases. We have excellent technical competence in these operations and expect to continue to get a share of this business.

On the tactical side, we are a large supplier of pyrotechnics and tear gas grenades, which may lead to a civilian market . . . how large a one we don't know yet.

The most interesting part of the Technical Products Division to me, however, is the metal fibers business . . . a possible fifth earnings base.

This is an area where Brunswick R & D has literally created a family of new materials by inventing ways of making metal fibers very small. We have made them down to 1/2 a micron in diameter. (A micron is 1/25th of a .001 of an inch.)

This gives us a very versatile group of metals that have new properties. Commercially we are now blending them with carpet yarns to eliminate static. They make corrosion resistant and high temperature filters that are specified on many aircraft and submarines.

At the present we are working hard with aircraft manufacturers to quiet jet engines to meet new FAA specifications with these materials.

They appear to have the edge in the making of abradable shrouds to give a boost to jet engine efficiency.

Suffice it to say that new possible uses for these materials appear every day, and I am confident our investment in this new field of technology will pay off handsomely - some day. I don't know when.

In addition, of course, we are doing all the other things that a modern company does, such as making sure we exploit overseas markets; making sure we make maximum use of EDP, both for problem-solving and engineering; and doing all the planning, accounting, motivating, etc., etc., that everyone else does. We hope we're doing them better.

The thing that makes us different, I think, in addition to the marketing edge that many people know we have, is that we have a competitive edge we didn't used to have in the good technical competence of many of our divisions. I don't think many people think of us that way. I happen to think its our strongest point.

Thank you.

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A1661
Exhibit P32

BCOD CONSOLIDATED SUMMARIES
DOMESTIC OPERATIONS ONLY

	1965	1966	1967	1968	1969	1970	1971	1972	TOTAL
Number of Centers	124	149	162	164	163	167	167	167	
Number of Lanes	3,629	4,521	4,988	5,076	5,015	5,144	5,178	5,200	
Number of Ten-Pin Lanes	3,519	4,411	4,878	4,988	4,825	5,054	5,088	5,110	
Profit/ (Loss)	$(2,171,000)	$(1,136,000)	$(1,205,000)	$ (751,000)	$ 357,000	$2,310,000	$4,877,000	$6,296,000	$ 8,577,000
Depreciation	$ 879,000	$ 2,122,000	$ 2,544,000	$ 2,660,000	$ 2,570,000	$2,279,000	$2,065,000	$2,175,000	$17,294,000
Cash Flow	$(2,681,000)	$ 986,000	$ 1,339,000	$ 1,898,000	$ 2,804,000	$4,469,000	$6,649,000	$8,038,000	$23,502,000

PLAINTIFF'S EXHIBIT 3 90-11

3/30/73

Mr. Dan Lieblich
National Bowl-O-Mat, Inc.

Mr. K. F. Woolfe

October 21, 1964

J. G. Thomas

Mr. John A. Soufort

Dan Lieblich was in Home Office the other day and discussed with me the possibility of removing some of his equipment from a Florida location to the White location on Roosevelt Boulevard that I understand has been closed. Apparently Mr. Lieblich has a contact with the people who control the building and real estate and can make a very good deal.

I called Al Mueller right away and got a fast check on what the location and area look like. I called Mr. Lieblich and told him that in my opinion it was marginal but that it would probably bear further investigation on his part, especially if he could get a good lease.

Please prepare a regular area survey for this location - Mr. Lieblich is going to come to Philadelphia the week of November 2nd and you should try to contact him to set up a date to meet him in Philadelphia and show him this location and the area and discuss the survey.

Mr. Lieblich's chain, National Bowl-O-Mat, Inc., is one of the best we have and his credit is excellent; if we can help him solve this difficult problem in Florida, we should do so.

I'd appreciate it Ken, if you would handle this personally, and if you have any questions please give me a call. Please get in touch with Mr. Lieblich in advance of his visit - following is information on him:

Mr. Daniel Parke Lieblich
President
National Bowl-O-Mat, Inc.
152 Market Street
Paterson, New Jersey

Phone - ARmory 8 - 0500

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A1662
Exhibit P33

BOWLING DIVISION

Brunswick CORPORATION

PLAINTIFF'S EXHIBIT

3/30/73

August 27, 1965

Mr. Daniel P. Lieblich
National Bowl-O-Mat Corporation
152 Market Street
Paterson, New Jersey

Dear Dan:

It appears that the "fickle finger of fate" is keeping our paths from crossing. As you know, I have been away from the office constantly since the first part of August and my travels have not taken me into an area where I would have an opportunity to meet with you and discuss - it appears - the many problems that seem to have arisen. I want you to be assured that corrective action has been instituted. Whether you believe it or not, National Bowl-O-Mat Corporation is a very valued customer of the Brunswick Corporation, and we here at the home office are quite concerned when aggravations arise that cause you to be unhappy.

I also want to personally thank you for the nice comments you made about me in your correspondence to Mr. Jim Urbanek. It is not often that a salesman is fortunate enough to have a customer who will take the time to compliment a member of a corporate sales organization.

Mr. Larry Parker, Chicago-South Branch Manager, has dispatched a service representative to Indianapolis to inspect the complaints concerning resurfacing. The Manager, Mr. Russell, was informed that the warranty on the lanes resurfaced by an independent contractor is no longer in effect. The Brunswick warranty on their lanes definitely states that the 5-year warranty for replacing patches is only in effect if Brunswick trained mechanics do the resurfacing on these lanes during that period.

A1663
Exhibit P34

The warranty is in effect on the eight new lanes installed last summer and if patches are necessary on those lanes, it will be done on a no-cost basis. If patching and repair work are required on the other lanes, then it will have to be done on a time and materials basis.

There have been hours of conversation and reams of correspondence trying to get at the bottom of the pin adjustment for Pueblo Bowl-O-Mat. After receiving your letter of August 4, Mr. Tindle, Kansas City Branch Manager, has met with Mr. Callahan and discussed this subject thoroughly. Mr. Callahan emphatically states that he never made any commitment to a 25 set pin adjustment, either as a salesman now or when he was the Denver Branch Manager. The former salesmen in that territory, Mr. Beiderbecke and Mr. Christopherson have been contacted and both of them stated that they have never discussed the 25 set pin adjustment with Mr. Kinney or anyone else at Bowl-O-Mat.

Since this situation seems to be at an impasse, I recommend that we both agree to a seven set pin adjustment and close the file on this irritating case.

Due to the tremendous backlog of orders at our Muskegon factory, and because there are no experienced personnel that can be hired on a part time basis to assist in removing this "log jam", the special color masking units for Saginaw Bowl-O-Mat will be shipped on September 1, 1965. You could tie me to the "whipping post and give me forty lashes with a cat-o-nine-tails" and not hurt me any more than I am hurt because of the delays we have experienced in getting these masking units shipped and installed at Saginaw.

I will do everything in my power to make these past problems only

A1664
Exhibit P34

seem like a bad dream and will devote all energies to making our future relationship more pleasant for National Bowl-O-Mat and Brunswick Corporation.

Most sincerely,

BRUNSWICK CORPORATION

Bill

William J. Blanks
National Accounts Manager

WJB:o'r

A1665
Exhibit P34

SUBJECT

TO H. T. Chadwick

FROM J. G. Thomas

DATE September 13, 1966

COPIES TO J. F. Urbanek
J. A. Barron
M. J. Birnbauer
R. G. Reed
J. A. Seaford
L. A. Parker

PLAINTIFF'S EXHIBIT P-35 C. 595-66 3/30/73

This will confirm our phone conversation of Monday, September 12, in which I instructed you to inform Fair Lanes, Inc. of Baltimore and National Bowl-O-Mat of Paterson, New Jersey that all purchases, effective Wednesday, September 14, by these corporations from Brunswick for supplies, equipment, service, etc., must be on a cash or c.o.d. basis.

By return mail, please tell me whom you informed at Fair Lanes and National Bowl-O-Mat of this new policy.

J. G. Thomas

JGT:ca

A1666 Exhibit P35

September 13, 1966

TO: Daniel Parke Lieblich

RE: Brunswick Corporation Payment Policy

At 3:15 this afternoon Mr. Henry Chadwick, Eastern Regional Vice-President of Brunswick Corporation, successor to John Fitzsimmons, called me and introduced himself. He has informed me that upon his instructions of Jack Thomas, Vice-President of Marketing, Bowling Groups Division of Brunswick Corporation, he was to inform us that effective this date all of our subsidiary companies of National Bowl-O-Mat Corporation must pay either cash or COD for any and all merchandise ordered. I began questioning him in a general way "why" and he said he didn't know but that he was only following the instructions of his boss, Jack Thomas.

Arnold E. Taras

ddf

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EXH. NO. P-5 WIT. DATE 1-23-74 BY FED. COURT REPORTERS

A1667 Exhibit P36

September 14, 1966

Mr. J. L. Hanigan, President
Brunswick Corporation
69 West Washington Street
Chicago, Illinois

Dear Mr. Hanigan:

Yesterday, Mr. Henry Chadwick, your Eastern Regional Vice President, called our office to say that per the instructions of Mr. Jack Thomas, Vice President of your Bowling Division, all of our subsidiary companies must pay for all merchandise received from your company as and when delivery of such merchandise is received.

As you know, our subsidiary companies are located in seven states and all financial matters are handled from Paterson. Over the many years that our operating subsidiaries have purchased Brunswick equipment and supplies all checks (approximately $7,000,000 worth) have been processed from Paterson. As your Bowling Division knows our subsidiaries do not have available in their field locations the means of paying for merchandise as and when delivered.

This action by your Bowling Division coming as it does immediately upon the filing of your counterclaim to the anti trust law suit we have filed against your company would appear to be further indication of your desire and intention to harass our company and to discriminate against it. Surely your action cannot be the result of the credit standing of our operating subsidiaries each of which has prepaid in full any equipment debt or other obligation due you. As a matter of fact, each Brunswick invoice is processed with priority at our Home Office so that payment discounts can be taken by our subsidiaries when indicated on your invoices.

Since the filing of our complaint in June, our subsidiaries have continued to purchase machine parts and supplies from your company and I know of no instance where there has been any unreasonable delay in the payment of any invoice by any one of our subsidiaries.

I shall appreciate it if you will review this situation and advise me if this new payment procedure will be your desired practice.

Very truly yours,

Daniel Parke Lieblich, President

DPL/cm

RETURN RECEIPT REQUESTED

PL EX 232

EXH. NO. P-
WIT.
DATE 11-29
BY
FED. COURT REPORTERS

A1668
Exhibit P37

April 9, 1965

Mr. Milton Rudo, Vice President
Brunswick Corporation
623 South Wabash Avenue
Chicago 5, Illinois

Dear Milt:

Now that I understand that the bankruptcy sale of AIBC has been completed and that Brunswick is operating all of the various locations, I shall have to put in writing my desire to negotiate with you the acquisition of Fairlawn Lanes. It is possible that one or two AIBC centers that are in areas where we now have operating centers might be of interest to us. I know we have discussed this informally on a few occasions in prior months.

No doubt you have many initial problems of organizational structure confronting you at this moment, but when you do have the time to devote to it, please let me hear from you about Fairlawn and the possibility of one or two others.

Sincerely,

Daniel Parke Lieblich
President

DPL:jvm

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PL EX. 239 to

EXH. NO. P-AE
WIT.
DATE
BY
FED. COURT REPORTERS

A1669
Exhibit P38

I regret that you construe our policy as some sort of harassment by Brunswick. On the contrary, it seems to us simply that by minimizing the business contacts with your firm (by placing sales on a cash basis) Brunswick avoids the harassment and burden of attempting to do business with National on a credit basis.

Yours truly,

James F. Urbanek
President, Bowling Division

JFU:mh

Page 2
Mr. Daniel Parke Lieblich

September 23, 1966

I regret that you construe our policy as some sort of harassment by Brunswick. On the contrary, it seems to us simply that by minimizing the business contacts with your firm (by placing sales on a cash basis) Brunswick avoids the harassment and burden of attempting to do business with National on a credit basis.

Yours truly,

James F. Urbanek
President, Bowling Division

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JFU:mh

Brunswick CORPORATION
EXECUTIVE OFFICES

April 19, 1965

Mr. Daniel Parke Lieblich
President
National Bowl-O-Mat Corporation
152 Market Street
Paterson, New Jersey

Dear Dan:

I received your letter of April 9 concerning your interest in the Fairlawn Bowling Center.

As I informed you when you and I talked, we will be selling these bowling establishments as businesses and not as numbers of lanes or equipment. Our policy upon taking over bowling establishments is to operate them for three to six months before we set a price. However, if you have a concrete offer that you want to make on downpayment, price and terms we will be glad to consider it.

Recently one of our people was told that you, Fair Lanes and Mr. Olshan of New York had pooled together a considerable sum of money and had bid for many of the AIBC houses. I was a little surprised to hear this, Dan, in light of the telephone conversation you and I had, but I am sure there were good reasons for you to take this position.

If there is anything else I can do for you along these lines, please do not hesitate to write to me.

Sincerely,

Milton Rudo

MR:EOC

623 SOUTH WABASH AVENUE / CHICAGO 5, ILLINOIS, U.S.A. / WEBSTER 9-3000

PL EX 24

A1672
Exhibit P40

April 23, 1965

Mr. Milton RUdo, Vice President
Brunswick Corporation
623 South Wabash Avenue
Chicago, Illinois

Dear Milt:

Thank you for your letter of April 19th about Fairlawn.

We would be pleased to discuss the purchase of the center, now, if we could examine the operating figures for the last few years. If these could be made available to me, and if I could then speak with Bernie or anyone else who might be familiar with the Fairlawn operation, we could put this thing in a position to consummate in the next few months. Consequently, I will await further word from you or someone else in the operating company.

With respect to the third paragraph in your letter, all that I can say is that your informant was incorrect. If any further elabboration is required, all you have to do is call me.

Sincerely,

Daniel Parke Lieblich
President

DPL:jvm

PL EX 24 16

A1673
Exhibit P41

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PX 42

BOWLING CENTER OPERATIONS DIVISION
M. RUDO
PRESIDENT

Brunswick CORPORATION

May 13, 1965

Mr. Daniel Parke Lieblich
President
National Bowl-O-Mat Corporation
152 Market Street
Paterson, New Jersey

Dear Dan:

I received your letter of April 23 and have discussed this with our people who have been involved in the AIBC situation.

Right now, Dan, all of the facts and administrative details of taking this over have not been completed and I really am not in a position to quote prices or discuss these places at this time. It looks like it could be another two to three months before this situation is wrapped up into a neat package.

I would say this to you--that any place we have, in time, is available for sale, but we will require 25 to 30% down payment, which we think is reasonable. We have to see what our costs are and what the volumes, profits and cash flows are. When this is available, we will be glad to talk to you further.

Hope you are well.

Sincerely,

Milton Rudo

MR:EOC

PL. EX. 242d

80 WEST WASHINGTON STREET / CHICAGO, ILLINOIS 60602, U.S.A. / 312-341-7010

FED. COURT REPORTERS

A1674
Exhibit P42

A1675
Exhibit P44

DX 44

11 LARGEST INDEPENDENT PUBLIC CORPORATIONS OPERATING BOWLING CENTERS COMPARED WITH BRUNSWICK

YEAR	NET WORTH			GROSS REVENUE			NUMBER OF CENTERS			YEAR
	BRUNSWICK	NBO INDUS.	10 OTHERS	BRUNSWICK	NBO INDUS.	10 OTHERS	BRUNS.*	NBO	10	
1965	131,581,000	2,473,000	13,448,000	335,073,000	3,276,000	43,612,000	136	11	172	1965
1966	135,421,000	2,576,000	12,090,000	344,648,000	3,240,000	45,131,000	193	10	170	1966
1967	142,852,000	2,671,000	11,685,000	393,457,000	3,272,000	48,670,000	200	10	169	1967
1968	170,469,000	2,746,000	13,172,000	434,096,000	3,261,000	49,461,000	189	10	157	1968

PL. EX. 58 id.
(last sheet)

* Includes the Following Total of Canadian Centers:
1965 - 10
1966 - 17
1967 - 16
1968 - 13

A1676
Exhibit P45

2 PX 45 2

	AMERICAN BOWLING ENTERPRISES	AMERICAN RECREATION CENTERS	BOWLING CORPORATION AMERICA	BOWL AMERICA INC.	CONSOLIDATED BOWLING CORPORATION	FAIR LANES INC.	GENERAL BOWLING CORP.	GREAT LAKES RECREATION	MAJOR CENSUS BOWLING & RECREATION	NED INDUSTRIES	UNITED BOWLING CENTERS	TOTAL 11 COMPANIES	13 BADGER/OLIC
YEAR ENDING	6/27/65	5/31/65	8/31/65	6/30/65	6/30/65	6/30/65	9/30/65	5/31/65	6/30/65	8/31/65	6/30/65		12/31/65
NUMBER OF CENTERS	15	10	14	14	34	37	8	11	21	11	8	183	136
NET PLANT & EQUIPMENT	2,125,180	5,556,350	9,011,616	2,189,515	39,495,069	9,519,163	2,596,326	9,611,191	5,903,728	4,206,258	1,042,150	73,210,596	76,158,000
NET WORTH (DEFICIT)	(1,965,989)	1,363,499	3,201,421	582,205	5,013,019	2,579,722	170,691	1,713,568	615,985	2,973,487	170,345	15,921,453	131,581,000
GROSS REVENUES	2,735,051	5,611,297	6,250,763	3,754,759	9,111,982	6,930,388	2,198,908	3,480,531	2,941,978	3,426,000	1,434,247	46,332,904	335,073,000
PRE-TAX PROFIT (LOSS)	(514,801)	17,336	596	102,427	(83,682)	251,417	(93,818)	44,752	(236,999)	29,000	(273,024)	(770,946)	4,078,000
												WRITE-DOWN	133,660,000
												(LOSS)	138,582,000
YEAR ENDING	6/26/66	5/25/66	8/31/66	7/3/66	6/30/66	6/30/66	9/30/66	5/31/66	6/30/66	8/31/66	6/30/66		12/31/66
NUMBER OF CENTERS	15	11	14	14	34	34	8	11	21	10	8	180	193
NET PLANT + EQUIPMENT	2,017,434	5,224,917	8,698,295	1,836,489	20,229,122	6,817,154	2,361,750	9,429,380	3,530,782	4,723,347	1,893,252	66,759,937	77,416,000
NET WORTH (DEFICIT)	(2,331,618)	1,377,282	3,048,218	702,492	4,062,000	2,258,303	168,516	1,889,392	175,932	2,576,103	246,135	14,666,532	135,421,000
GROSS REVENUES	2,823,270	5,650,832	6,524,150	3,925,466	9,042,720	6,640,406	2,327,831	3,826,967	2,715,552	3,240,000	1,403,470	48,370,664	349,898,000
PRE-TAX PROFIT (LOSS)	(300,556)	20,283	(141,895)	133,705	(472,102)	313,029	(2,175)	198,050	(442,053)	194,000	(110,330)	(720,944)	5,239,000

PL EX. 58 id

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	American Bowling Enterprises	American Recreation Centers	Bowling Corporation of America	Bowl America Inc.	Consolidated Bowling Corporation	Fair Lanes Inc.	General Bowling Corp	Great Lakes Recreation	Major League Bowling & Recreation	NBO Industries	United Bowling Centers	Total 11 Companies	Brunswick
Year Ending	6/25/67	5/31/67	5/31/67	7/2/67	6/30/67	6/30/67	9/30/67	5/31/67	6/30/67	8/31/67	6/30/67		12/31/67
Number of Centers	14	12	14	14	34	33	8	11	21	10	8	179	200
Net Plant & Equipment	1,792,961	4,839,378	2,396,236	1,918,638	17,955,502	2,640,311	2,313,434	8,996,157	3,205,870	4,421,812	2,018,639	62,613,018	76,447,000
Net Worth (Deficit)	(2,654,748)	1,430,280	2,509,541	973,545	3,814,088	2,914,040	173,438	2,081,403	415,547	2,670,885	127,490	14,355,399	142,852,000
Gross Revenues	2,994,422	6,460,118	4,513,909	4,132,354	9,545,032	7,279,100	2,476,273	4,019,054	2,825,385	3,232,000	1,424,497	51,943,334	393,457,000
Pre-Tax Profit (Loss)	(230,161)	92,998	(633,769)	183,609	(197,228)	382,255	4,412	338,014	(161,044)	183,000	(118,665)	(231,564)	11,246,000
Year Ending	6/30/68	5/29/68	5/31/68	6/30/68	6/30/68	6/30/68	9/30/68	5/31/68	6/30/68	8/31/68	6/30/68		12/31/68
Number of Centers	10	12	8	14	34	32	8	11	21	10	7	167	189
Net Plant & Equipment	1,805,000	4,495,514	5,345,208	1,753,366	13,913,185	2,252,348	2,136,063	7,919,806	2,944,597	4,191,487	1,807,754	54,464,225	78,694,000
Net Worth (Deficit)	(1,993,603)	1,474,547	2,412,510	1,097,812	3,737,144	3,325,459	195,103	2,420,870	455,583	2,745,807	15,677	15,917,849	170,469,000
Gross Revenues	2,950,088	6,979,411	5,177,622	4,473,101	8,901,666	9,613,735	2,228,345	4,036,967	3,444,935	3,261,000	1,265,697	52,732,497	434,896,000
Pre-Tax Profit (Loss)	(68,698)	102,657	(96,921)	327,148	19,462	651,062	82,195	420,597	20,336	125,000	(38,234)	1,850,604	84,206,000

	No. of Centers	Net Plant & Equipment	Net Worth (Deficit)	Gross Revenues	Pre-Tax Profits (Loss)
American Bowling Enterprises, Inc.	(Includes Billiard Supply Subsidiary)				
6/27/65	15	2,125,190	(1,968,994)	2,255,051	(514,801)
6/26/66	15	2,017,434	(2,331,618)	2,823,270	(300,566)
6/25/67	14	1,792,961	(2,654,748)	2,994,422	(230,161)
6/30/68	10	1,805,000	(1,983,603)	2,950,088	(67,648)
American Recreation Centers, Inc					
5/26/65	10	5,556,350	1,363,499	5,681,297	17,236
5/25/66	11	5,224,918	1,322,282	5,650,832	20,283
5/31/67	12	4,839,378	1,430,280	6,460,118	92,998
5/29/68	12	4,495,514	1,474,547	6,979,411	182,657
5/28/69	12	4,331,897	1,513,650	6,432,261	126,251
Bowling Corporation of America	(Now Charan Industries (includes Amusement Parks) & Real Estate				
8/31/65	14	9,011,616	3,201,421	6,280,763	596
8/31/66	14	8,693,285	3,043,215	6,524,150	(141,809)
8/31/67	14	7,796,236	2,509,451	6,513,909	(633,764)
8/31/68	8	5,245,208	2,412,530	5,177,622	(96,921)
8/31/69	10	14,009,241	4,650,557	6,033,615	527,393

	No. of Centers	Net Plant & Equipment	Net Worth	Gross Revenues	Pre-Tax Profits (Loss)
Bowl America Inc.					
6/30/65	14	2,188,575	582,705	3,254,739	102,427
7/3/66	14	1,876,484	702,452	3,975,466	127,705
7/2/67	14	1,818,638	823,545	4,132,354	183,609
6/30/68	14	1,753,366	1,097,812	4,473,101	322,148
6/29/69	14	1,651,998	1,182,214	4,794,205	409,349
Consolidated Bowling Corporation	(includes real estate)				
6/30/65	34	24,495,069	5,017,019	8,111,982	(83,692)
6/30/66	34	20,228,172	4,062,000	9,242,720	(472,102)
6/30/67	34	17,855,502	3,814,088	9,545,022	(193,228)
6/30/68	34	13,913,185	3,722,344	8,801,666	19,462
Fair Lanes, Inc.	(includes Arundel Ice Cream)				
6/30/65	37	8,519,163	2,518,722	6,470,398	257,417
6/30/66	34	6,817,154	2,758,703	6,640,406	312,029
6/30/67	33	7,640,191	2,914,040	8,279,100	337,255
6/30/68	32	7,252,248	3,325,459	9,613,735	652,062

	NO. OF CENTERS	NET PLANT + EQUIPMENT	NET WORTH	GROSS REVENUES	PRE-TAX PROFITS (LOSS)
GENERAL BOWLING CORP					
9/30/65	8	2,546,326	170,691	2,198,908	(93,818)
9/30/66	8	2,361,750	168,516	2,322,871	(2,125)
9/30/67	8	2,313,434	172,928	2,476,273	4,412
9/30/68	8	2,136,063	195,123	2,228,295	32,195
5/30/69					
GREAT LAKES RECREATION CO (INCLUDES MOTELS)					
5/31/65	11	9,611,131	1,713,569	3,680,531	24,252
5/31/66	11	9,429,380	1,889,792	3,826,867	183,050
5/31/67	11	8,986 157	2,081,883	4,019,054	338,014
5/31/68	11	8,919,706	2,420,870	4,026,967	420,593
5/31/69	11	8,537,591	2,506,857	4,075,018	249,930
MAJOR LEAGUE BOWLING + RECREATION, INC.					
6/30/65	21	3,903,728	615,985	2,841,978	(236,999)
6/30/66	21	3,530,782	173,932	2,715,552	(442,053)
6/30/67	21	3,205,810	415,541	2,825,385	(161,029)
6/30/68	21	2,944,597	485,883	3,444,835	70,336

	NO OF CENTERS	NET PLANT + EQUIPMENT	NET WORTH	GROSS REVENUES	PRE-TAX PROFITS
NBO INDUSTRIES					
8/31/65	11	4,706,258	2,473,487	3,476,000	29,000
8/31/66	10	4,723,347	2,576,103	3,240,000	106,000
8/31/67	10	4,401,012	2,670,395	3,272,000	103,000
8/31/68	10	4,191,487	2,745,807	3,261,000	125,000
8/31/69	10	4,074,281	3,405,354	7,786,000	444,500
UNITED BOWLING CENTERS, INC					
6/30/65	8	1,047,150	170,345	1,436,247	(273,034)
6/30/66	8	1,843,252	246,155	1,403,420	(110,820)
6/30/67	8	2,018,639	127,490	1,424,697	(118,665)
6/30/68	7	1,807,754	15,271	1,403,647	(38,234)
6/30/69	7	1,720,413	(41543)	1,247,778	(32,376)

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BRUNSWICK CORPORATION +

	No. of Centers	Net Plant + Equipment	Net Worth	Gross Revenues	Pre-Tax Profits (Loss)
12/31/65	136	76,188,000	131,581,000	335,073,000	4,078,000
				WRITE-DOWN	132,660,000)
				PRE-TAX LOSS	(128,582,000)
12/31/66	193	77,416,000	135,434,000	384,498,000	5,729,000
12/31/67	200	76,447,000	142,852,000	393,457,000	11,266,000
12/31/68	189	78,694,000	170,469,000	434,816,000	34,206,000
12/31/69					

+ Includes the Manning Bowl & Canadian Centers

1965 - 10
1966 - 17
1967 - 16
1968 - 13

A1682
Exhibit P45